HELSINKI SCHOOL OF ECONOMICS
Department of Marketing

THAILAND AS A TRAVEL DESTINATION:

FOREIGN TOURISTS AND THEIR SOCIO-ECONOMIC IMPACTS

Area Studies Program
Master's Thesis
Antti Jussila
Spring 2003

Approved by the Council of the Department of Marketing 21 / 5 20 03 and awarded the grade cum laude approbatur

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ABSTRACT

THAILAND AS A TRAVEL DESTINATION: FOREIGN TOURISTS AND THEIR SOCIO-ECONOMIC IMPACTS

This study examines Thailand as a tourist destination and analyzes the inbound flow of tourism and its socio-economic impacts on Thailand. First a theoretical framework based on academic literature on tourism, and some background information on Thailand, are provided before applying that information to the actual study of tourism in Thailand. In this study the existing academic literature provides a basis on which empirical data from tourism statistics and relevant articles then builds on.

The issues covered in this study aim to reveal what is Thailand like as a travel destination, what are the current trends of inbound tourism and the socio-economic impacts of tourism on Thailand. In the search of answers for these questions several areas of interest are covered, including the development of tourism in Thailand, seasonality, tourist attraction factors and destinations in Thailand and the types of tourists visiting Thailand. By examining these topics, and several others, in the light of the various theories presented in this study a complete and coherent image of Thailand as a travel destination should emerge.

Keywords: Thailand, international tourism, travel destination, tourist attractions, socio-economic impacts

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TIIVISTELMÄ

THAILAND AS A TRAVEL DESTINATION: FOREIGN TOURISTS AND THEIR SOCIO-ECONOMIC IMPACTS

Tämän tutkimuksen tarkoituksena on selvittää millainen Thaimaa on matkailukohteena ja analysoida sisäänpäin suuntautuneita matkailijavirtoja, sekä niiden Thaimaalle aiheuttamia sosio-ekonomisia vaikutuksia. Ensin lukijalle esitellään matkailuun keskittyvän akateemisen kirjallisuuden pohjalta luotu teoreettinen viitekehys ja taustatietoa Thaimaasta, jonka jälkeen näitä tietoja käytetään pohjana tutkittaessa Thaimaan todellista matkailutilannetta tilastoista ja keskeisistä artikkeleista kootun empiirisen aineiston avulla.

Aiheet joita tässä tutkimuksessa käydään lävitse pyrkivät paljastamaan millainen Thaimaa on matkailukohteena, mitkä ovat sisäänpäin suuntautuneen matkailun nykyiset trendit ja sosio-ekonomiset vaikutukset. Etsittäessä vastauksia näihin kysymyksiin useat mielenkiintoiset aihepiirit nousevat esille, kuten matkailun kehitys Thaimaassa, kausivaihtelut, matkailun vetovoimatekijät ja kohteet Thaimaassa sekä matkailijatyypit jotka Thaimaassa vierailevat. Näiden ja muiden aihepiirien tutkiminen aiemmin esiteltyjen teorioiden valossa pitäisi muodostaa kokonaisvaltainen ja yhtenäinen kuva Thaimaasta matkailukohteena.

Hakusanat: Thaimaa, kansainvälinen matkailu, matkailukohde, matkailun houkuttimet, sosio-ekonomiset vaikutukset

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1 INTRODUCTION

> The projected growth in international tourist arrivals in East Asia and the Pacific looks quite promising. Tourist arrivals to the region will increase from 41 million in 1992 to 156 million in the year 2005, with an overall growth rate of more than 280 per cent and an average growth rate of 10.77 per cent. In terms of projected regional market share, Asia will still keep its dominating position. (Hailin & Hanqin 1997, 46)

Although the opening quote is already a bit dated, it seems to have been correct about the overall growth of tourism in East Asia and the Pacific. In 2001 tourist arrivals in the region were right on target at 115 million arrivals (World Tourism Organization 2003), and if the same rate of growth is to continue the projected estimate will be reached. However, at the moment the growth expectation has been reduced to 6% annually, but it seems likely to accelerate again in the future (ibid). Thailand, in particular, has rapidly grown its share of the global tourism market, and has also been on the forefront of Asian economic recovery, with increasing tourism receipts pushing the economy forwards. Expanding the scope to cover global tourism, we find that it is the largest single industry in the world (ibid), and it has been expanding over the last couple of decades at a remarkable pace – especially during the strong economic growth in the late 80s and again in the late 90s.

At the moment the global tourism growth has slowed down to take a breath. Due to a combination of fear of terrorism, sparked by the terrorist attacks in New York and Bali; a general contraction in the world economy, initially sparked by the bursting of the highly over-valued IT-economy; and most importantly, fears of the new SARS (severe acute respiratory syndrome) virus, many potential travelers are staying home. However, global tourism is bound to rise again, and growth in the Southeast Asian markets – especially Thailand – can be expected to gain momentum again. For this reason, and perhaps more-so for the fact that tourism is such an important element of the Thai-economy, I have chosen to study this topic. As a keen traveler, I also have a personal interest in tourism and I find Thailand to be a truly fascinating country to study and to travel in. In this study I hope to provide an enlightening analysis of the issues related to foreign tourism in Thailand.

2 POSITIONING OF THE STUDY

2.1 Research Questions and Objectives

This study aims to answer three broad questions related to tourism in Thailand. The first question is: **What is Thailand like as a travel destination?** How has tourism developed in Thailand, what are the attractions, attraction factors and the international travel image of Thailand, and what is the role of the Tourism Authority of Thailand in all this? Finding answers to these more detailed questions will help in providing an answer to the broader question of what is Thailand like as a travel destination. The second main question deals with the foreign tourists in Thailand: **What are the current trends of inbound tourism in Thailand?** What kinds of people travel to Thailand, where do they stay and how much money do they spend? The third and final question is: **What are the socio-economic impacts of these tourists on Thailand?**

To meet the research targets of this study a number of more specific research questions have also been formulated and one goal of this study will be to provide answers for these questions. They are as follows:

1. At which stage is the Tourist Area Cycle of Evolution in Thailand?

2. Is seasonality an important factor in Thailand's tourism industry?

3. What are the strongest tourist attraction factors in Thailand?

4. What is the profile of visitors to Thailand?

5. Is the visitor growth equally fast among all visitor groups from all regions?

6. Have the socio-economic impacts of tourism been positive?

Basically, the objectives of this study are to find out about the tourism patterns and the impacts of tourism in Thailand, and to provide answers for the research questions. As this study centers on the topic of tourism, rather than travel industry, only those sectors of the travel industry (Middleton 1988, 8) that have more to do with the phenomenon of tourism as such will be considered, namely the accommodation and attraction sectors, and briefly the destination organization and transport sectors. The travel organizers sector will not be included, but may be mentioned in the passing. Other relevant issues for this study are, for example, the significance of tourism to Thai economy, development of tourism, seasonality, segmenting and analyzing the tourist types and eventually the socio-economic impacts tourism brings about.

2.2 Limitations

Some limitations to the study are brought about by the relative lack of country-specific academic literature on Thailand available from Finnish and electronic resources, and the non-availability of older statistical data on tourism in Thailand. The Tourism Authority of Thailand is currently only publishing statistics for the last few years (1998-2002) and older publications could not be obtained, thus making the identification of any long term trends based on these statistics alone virtually impossible. However, in the light of the available information, and as this study is mainly interested in *current* trends anyway, this study is still able to provide answers to all the research questions – although perhaps in some cases the answers may not be quite as comprehensive as initially expected.

As of limitations imposed by the author, the tourism marketing sector and other operational aspects of the tourism industry will not by studied in any detail, although may be touched upon if necessary for a more coherent understanding of related issues within the scope of this study. More importantly, only the inbound (foreign) tourism will be focused on, including also business, convention and other types of visitors.

2.3 Definitions

Tourism

Tourism is not a simple concept to define, although we all have a fairly good idea of what it means. The complexity in defining tourism arises from the difficulty of defining a tourist: How far away from home does one have to go to become a tourist and other related dilemmas are discussed in *Tourism: Principles & Practice* (Cooper et al. 1993, 4). In this book the authors eventually settle for a short definition taken from another book by Mathieson & Wall (1982, 1): Tourism is the "**temporary movement to destinations outside the normal home and workplace, the activities undertaken during the stay and the facilities created to cater for the needs of tourists**." Within this definition is also the notion that tourism is a service industry, as organizing the movement and activities of tourists, as well as the use of local facilities by tourists, are essentially all services. Therefore the business of providing these services that enable tourism of scale to develop in the first place makes tourism a service industry. **In this study tourism usually refers to inbound (foreign) tourism** unless stated otherwise.

Tourist destination / host society

Tourist destination, often referred to as the host society in this study and the academic literature in general, is considered to be the **physical location to which tourism is directed**. In this study the term *tourist destination* is generally used to refer to a general area, rather than a specific location of a sight for example.

Tourist Attraction

Tourist attractions are considered to be **tourist destinations and their specific sights and general features that attract the tourists**. In this respect, the terms *tourist destination* and *tourist attraction* overlap with each other, and at times may indeed be used interchangeably. However, in general *tourist destination* is a broader concept and *tourist attraction* typically a more specific factor or set of factors that attracts tourists to a given destination. Alan Lew (1987, 554) provides a more broad definition of an attraction as "**a landscape to observe, an activity to participate in, or an experience to remember**." Thus in his definition he also includes elements of the tourist service sector relating to tourist activities and experiences. In this study the term *tourist attraction* is generally regarded in a broader sense as proposed by Lew (1987, 554), but at times may also be used in a more limited way for simply referring to individual sights.

ASEAN

Association of South-East Asian Nations. This umbrella term refers to the formal (economic) grouping of ten Southeast Asian nations: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

2.4 Structure, Methods and Materials

This study is structured to provide a logical progression from Theoretical Framework and Background Information on Thailand in chapters three and four to Thailand as a Travel Destination in chapter five and Socio-Economic Impacts of Tourism in chapter six, finally reaching Conclusions to sum it all up in chapter seven. This study is a descriptive literary study to a large extent, with the important addition of empirical statistical data provided mainly by the Tourism Authority of Thailand (1998-2002) and the National Statistical Office (2001) of Thailand.

The preparation of this study has been a process involving searching for the relevant information, critically reading through all the necessary data, combining and analyzing it to form a coherent and accurate representation of the topic, and finally putting it all together in this paper. In addition, I have acquired some first-hand experience on tourism in Thailand by traveling there extensively while making observations and gathering information. While that information may not be based on any academic theories, but rather on local knowledge and observations, I consider it to have been greatly beneficial for this study. I like to call it my informal field study. I feel that the information accumulated this way has been a very good source of background information in the preparation of this study.

As reference material for this study I have used academic literature from the field of tourism as well as relevant articles published in economic journals and up-to-date information published on the Internet. I have also studied all the statistics necessary for fulfilling the objectives of this study, and I believe I have been able to deliver a study that is coherent, interesting and useful for anyone interested in tourism in Thailand.

3 THEORETICAL FRAMEWORK

The purpose of this chapter is to provide a theoretical framework for the entire study against which to contrast the findings presented in the subsequent chapters. Several theories and points of view relating to different areas of this study have been compared and contrasted, with no special emphasis given on any single author or book of reference. The purpose has been to provide a wide theoretical base on which to build the examination of the issues covered in this study. The order of topics in this chapter is the same order they will be presented in the subsequent chapters.

3.1 Tourist Area Cycle of Evolution

Butler (1980, 5-12) presents a theory of a Tourist Area Cycle of Evolution, which apparently has been derived from the well-known Product Life Cycle theory (i.e. Kotler 2001, 354), and justifiably so, as a tourist destination can easily be imagined going through nearly the same phases as a commercial product. However, what is important to note here is that although a product life cycle theory is applied to tourism, it is by definition a service industry, and has no tangible or imperishable elements in it. However, just like the product life cycle theory, the tourist area cycle of evolution progresses through nearly identical stages from exploration (launch) to development (growth) to stagnation (maturity), which is the critical point at the end of the curve, as the development of the curve may now take different directions from immediate decline to rejuvenation. (Vuoristo 2002, 158-160)

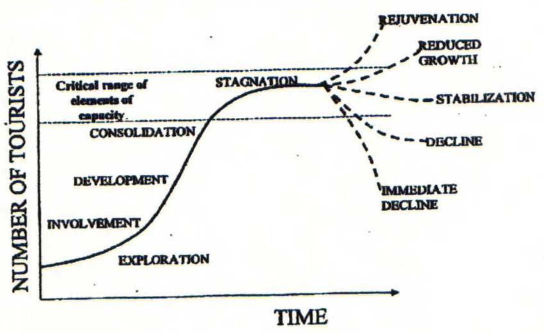

Figure 1: Tourist Area Life Cycle
Source: Butler (1980)

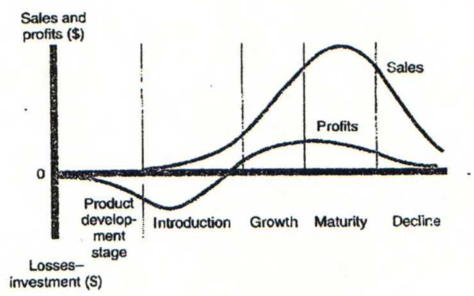

Figure 2: Product Life Cycle
Source: Kotler (2001, 354)

The stage in the tourist area life cycle of a resort can also be considered in conjunction with the types of tourists at the resort, and the resort itself. Kauppila (1995, 57) has identified several noteworthy points about the tourist area's stage of evolution, although these points mainly apply to traditional beach resorts, not city destinations or special interest destinations. According to Kauppila the amount of visitors may well exceed the number of locals in the resort area in stages between development and stagnation, and the types of travelers will tend to change as described in chapter 3.7.3 Segmenting the Tourist Types from allocentrics to psychocentrics and from explorers to organized mass tourists that will visit more frequently but spend less and less time in the resort as the curve moves towards stagnation.

As the destination area moves up along the curve, according to Kauppila's (1995, 57) model, it will tend to lose its originality and appeal; factors of attraction and the environment will change from original and natural towards built and artificial; and the locals will lose their positive attitude towards the visitors along with the level of ownership in the local travel industry, all while the tourism induced impacts on the area continue to grow stronger. These impacts are examined in more detail in chapter 6 Socio-Economic Impacts of Tourism in Thailand.

3.2 Planning for Tourism

Pearce (1989, 246) presents five stages in planning for tourism that have been developed by Acerenza (1985). The list begins with 1) the analysis of previous tourist development, goes on to 2) evaluation of position of tourism, 3) formulation of tourism policy, 4) defining of the development strategy and finally 5) elaborating the action program. In practice the first stages are often more or less ignored, although they should in fact act as a solid ground for the latter stages. The first stage involves an analysis of what has already been done. The second stage involves examining tourism from various points of view in conjunction with the consideration of broader economic and social priorities, such as the opportunity-cost analysis with other sectors of the economy. This evaluation should indicate whether a new policy is needed or if the existing strategy can be utilized as such or with modifications. The third stage is the actual crafting of a tourism policy that should satisfy visitors, protect the environment and the local community, and offer adequate rewards for developers and investors. The third stage naturally leads to the fourth stage involving the establishment of how exactly to reach the objectives that were earlier decided upon. This is done by evaluating the demand and supply in terms of resource availability and markets. The fifth and final stage involves defining specific action plans and comparing the actual results to the results reached with previous developments. (Pearce 1989, 246-248; Gunn 1994, 11-18)

Planning for tourism is typically carried out on different levels, with intraregional being the broadest recognized level, followed by national, regional and local levels (Pearce 1989, 249). In this study I will only examine the role of the Tourism Authority of Thailand that carries out some intraregional planning in cooperation with the neighboring countries and is responsible for the national planning as well as some regional planning. Aspects having to do with detailed regional and local planning will not be covered. However, with all the discussion devoted to planning for tourism, it is important to bear in mind that good planning alone will not help if the implementation of the plans is not carried out well and effectively.

3.3 Role of National Tourism Organizations

The main functions of government controlled National Tourism Organizations are to promote tourism and plan for it, to promote the overall image of the destination, to provide information and to act as a facilitator between the public and private operators of the travel industry. Additionally, national tourist organizations provide the framework in which tourism operates and strive to maximize the benefits and opportunities of tourism and to minimize the potential problems of tourism for the benefit of the economy, society, environment and the tourism industry itself. (Middleton 1988, 209-215; Witt & Moutinho 1994, 45; Burkart & Medlik 1981, 255; Goodall & Ashworth 1990, 204)

Promotion and marketing of tourism are high cost activities, and to maximize their value the national tourist organizations must forge close links with all the parties involved in the development and promotion of the tourism products. Market research and the role of a reliable information provider are also important parts of operations, and by successfully carrying these tasks out a national tourist organization is acting on the behalf of the entire travel industry operating in the given country. (Witt & Moutinho 1994, 47; Burkart & Medlik 1981, 256)

Middleton (1988, 211-213) points out that in the face of high operating costs it is very difficult to actually evaluate the effectiveness of a national tourism organization, such as the Tourism Authority of Thailand (TAT), due to three interrelated reasons:

1. Expenditure on marketing and promotion alone does not determine the number of arriving tourists or their expenditure.

2. The total marketing effort on behalf of a country is not carried by the national tourism organization alone, but also by private operators.

3. National tourism organizations typically are not directly involved in selling any products or services to arriving tourists.

From these points can be concluded that a national tourism organization, like TAT, should be responsible for the planning and facilitating of tourism and the tourism industry, along with the highest level of promotional and informational activities. This includes the creation of unique communication messages and symbols that identify, position and differentiate the country in the minds of prospective visitors. The main functions of a national tourism organization stated at the beginning of the chapter have thus been reinforced. (Middleton 1988, 211-215)

3.4 Seasonality

Seasonality refers to the tourist preference for certain periods of the year over others, and it is a factor that has a strong influence on the travel industry. From a business point of view it represents a loss of potential business. During the low season, or the time when tourists do not arrive in large numbers, the infrastructure, accommodation, labor and other resources catering for the tourist industry are not used to their full capacity, and the local economy as a whole may slow down if tourism represents one of the main income generators in the area. On the other hand, during the high season, demand can exceed supply, thus representing a strain on the host society and a potential loss of business again if not all tourists that are willing to arrive are able to do so due to limited accommodation or flight availability for example. It may be difficult to obtain enough labor to provide for all the tourist services during the high season, and over-crowding may actually reduce the attractiveness of a destination in the future. Areas built around tourism, such as resort towns, are often worst affected by seasonality. (Butler 1998, 18-23; McIntosh & Goeldner 1984, 191; Witt & Moutinho 1994, 86-88)

The primary causes of seasonality are often the annual climatic changes (natural seasonality) and holiday seasons (institutional seasonality), but other factors may also contribute, such as special events. A noteworthy point is also the fact that seasonality may be affected by changes of seasonality in other areas, such as cold winters in North Europe, rather than pleasant weather in Thailand alone. However, as problematic as seasonality may be in the economic sense, it also has some positive effects as well: low seasons provide ample time for locals and the environment to rest and recover, and a better chance for businesses to restructure and upgrade their tourism-related infrastructure. (Butler 1998, 18-23; McIntosh & Goeldner 1984, 191; Witt & Moutinho 1994, 86-88)

3.5 Tourist Attraction Factors

As Lew (1987, 553-555) accurately points out, the phenomenon of tourist attractions can be viewed from several points of view and described in various ways according to different sets of attributes, such as physical, social, historical or esthetic qualities for example (Witt & Moutinho 1994, 24). However, it is the individual tourist perceptions and experiences that ultimately determine the attractiveness of a given destination, as different people are attracted by different factors. As Witt and Moutinho (1994, 24) put it: "As a visitor you choose a destination from previous experience or from your perceptions of that destination's potential to meet the experience you desire." As such, the evaluation and classification of tourist attractions is very subjective by nature. However, some general attraction factors applicable to most studies or situations can usually be identified (Lew 1987, 554-555 & 571). To provide an example of such general attraction factors Witt and Moutinho (1994, 24) refer to a report by Ritchie and Zins (1978) that identifies eight of them. They are as follows:

1. Natural beauty and climate
2. Cultural and social characteristics
3. Accessibility of the region
4. Attitudes towards tourists
5. Infrastructure of the region
6. Price levels
7. Shopping and commercial facilities
8. Sport, recreation and educational facilities

This list covers, aside from the attractions as such, also factors that could be called *other pull factors* that obviously influence a tourist's decision to visit a location. Pearce (1989, 30-32) divides these other pull factors – elements in the supply side of tourism – into superstructure consisting of other facilities and services aside from accommodation, such as restaurants or shops; infrastructure including transportation and information networks, sewage, electricity, and a number of other elements; transport to, from, and within the destination; and finally market-oriented services that have to do with marketing of the destination. Pull factors covered by Pearce (1989, 30-32) still leave the issues of attitudes towards tourists and price levels untouched, although these factors obviously play an important role in the decision making process and probably should be included as pull factors.

Transport is an important factor influencing the accessibility of a region and therefore the number of tourists arriving to a destination. The better the transportation services, the more likely people are going to come. To create an efficient tourist transport system governments will often have to invest in new transport infrastructure, or encourage private businesses to do so. However, typically policies are aimed at expanding and developing the existing transport infrastructure to accommodate the tourist and recreational travel alongside the regular use for commuting and other non-tourist transport. (United Nations 2000, 32-34; Page 1999, 67)

However, transportation is just one aspect in destination infrastructure, and other infrastructural factors are worth considering as well. The most important factors of tourism infrastructure, aside from transportation, are water supply systems, energy and power, waste disposal systems and pollution control mechanism both in terms of visitor attraction and sustainable development. (United Nations 2000, 34-46)

3.6 Typical Structure of Beach Resorts

Since most of the tourist destinations in Southern Thailand are traditional beach resorts, it is necessary to examine the typical structure of a beach resort. According to Pearce (1995, 137) most beach resorts have developed spontaneously along the beachfront. There is often a dominating beach road, or a boulevard, constructed parallel to the beach and a string of hotels, restaurants and other tourist facilities built along the sides of this main drag. Residential areas are typically somewhere a bit further away from the beach. The expansion of the resort typically sprawls to both directions along the waterfront and to a lesser extent further away from the beach where cheaper accommodations and restaurants can often be found, as the price of land decreases further away from the waterfront. (Pearce 1995, 137; Vuoristo 2002, 152)

Typically, as the resort continues to grow and develop, the supply of goods and services continues to grow and develop as well to cover more than just the basic everyday needs. Eventually the resort may start to resemble a regular seaside town or city that just has a well-represented tourism sector. (Vuoristo 2002, 156-157)

3.7 Segmenting the Tourist Types

There are several ways of classifying different tourist types. Segmenting these different groups of tourists is an important task since different groups are presumably interested in different attraction factors. The tourists can be segmented according to external indicators (mainly socio-demographic) identifying various tourist groups (Vuoristo 2002), classified by reasons of travel (McIntosh & Goeldner 1984), divided into psychocentrics and allocentrics (Plog 1973), or split up in various groups based on the tourist types they represent (Smith 1978). In the following sub-chapters each of the systems of classification listed here will be examined in more detail. Aside from what is presented here, a large number of other criteria used for tourist segmentation exists, but as most of these other types of tourist segmentation (such as volume segmentation or brand loyalty) are issues concerned primarily with the marketing of tourism and therefore slightly outside the scope of this study, they will not be examined.

3.7.1 Indicators of Tourist Groups by Vuoristo

Vuoristo (2002, 38-40) has proposed a set of indicators to identify tourist groups based on geographic, demographic and socioeconomic attributes and activities. His system of classification does not stand alone, and other researchers, such as Weber (1992, 116-122), have also utilized similar indicators.

Geographic segmentation can actually be used both for segmenting tourist groups and for segmenting travel destinations. However, in this study only the tourist group aspect is studied. Indicators falling under this category include the country of origin and breakdown by place of residence, which can be analyzed in provincial, municipal or even smaller segments, residency in capital area, cities generally or the country side (= degree of urbanization) (Weber 1992, 116-122; Vuoristo 2002, 38-40).

Socio-demographic segmentation can be divided into demographic indicators including age, sex, race, language, marital status and religion; and socioeconomic indicators including education, title, income level, amount of paid leisure time and tourism related possessions. Vuoristo (2002, 39) prefers to separate these two indicator groups, while Weber (1992, 116-122) and some other researchers, such as Kotler & Andreasen (1987, 127-132) prefer to lump them together. However, quite obviously, neither geographic nor socio-demographic indicators can explain why these groups of people travel or why they choose a particular destination. Hence the real value of this type of segmentation really lies in establishing trends via statistics, to find out what types of tourists are traveling to which locations, and this information can then be used for different marketing tasks or to aid in regional planning by national tourism authorities or local businesses for example.

The last group of indicators proposed by Vuoristo (2002, 39-40) is activities. Dividing tourists into groups according to the type of activities they seek may indeed be quite useful for planning and marketing purposes, much more so than the socio-demographic or geographic indicators. These indicators group people according to the types of activities they prefer, from cultural to nature and sports activities. Unfortunately, statistical data relating to activities or intended activities could not be found, and only rough estimations can be made based on the destinations and activities provided at these destinations, such as sex tourism in Pattaya, dive tourism in Koh Tao or cultural tourism in Mae Hong Soon (Cummings & Martin 2001, 343; 805-806 & 514).

3.7.2 Reasons to Travel by McIntosh & Goeldner

A reason to travel is not strictly speaking a valid differentiator in the classification of tourist types. However, different kinds of tourists often have different kinds of motivators for their travel, and hence studying the reasons to travel may also reveal the types of tourists. While there are many different reasons for traveling, and often a different list of reasons is given in different surveys, all the motivating factors can be divided into four broad groups: physical, cultural, interpersonal and status or prestige. (McIntosh & Goeldner 1984, 171-172)

The last group, status or prestige motivators, is shared by people who travel because they are required to do so by their position, and therefore it covers business travelers and others with official travel purposes. People who travel because of interpersonal motivators do so to meet friends and relatives or to make new acquaintances, or are simply trying to get away from all the people they know back home. People traveling due to cultural motivators are interested in learning more about other cultures and to experience them first-hand by seeing cultural sights and interacting with people representing these foreign cultures. Finally, the group of people motivated by physical motivators travel for physical rest and recreation, health reasons, or for any other reason linked to human physique. (McIntosh & Goeldner 1984, 171-172)

3.7.3 Psychographic Classification by Plog

Plog (1973, 13-16) was the first one to suggest classifying tourists by their personality rather than by more traditionally used external indicators (see chapter 3.7.1 Indicators of Tourist Groups by Vuoristo). Plog suggests a single-dimensional model where everyone would be placed on a continuum ranging from psychocentrism to allocentrism. The psychocentrics (mass tourists) prefer familiar travel destinations and often seek relaxation in beach resorts with western amenities (if they are coming from western countries). They usually prefer to stay in large-scale hotels and buy their holiday as a complete package. On the other end of the spectrum are allocentrics (explorers and backpackers), who prefer non-touristic areas and seek out new destinations that are not "corrupted" by mass tourism. Their activity level is high and interacting with the locals is an important part of the trip. Less attention is usually paid to modern comforts while freedom and flexibility are very important. (Pearce 1995, 10-11)

From the above paragraph it is easy to conclude that it is usually allocentrics who first discover a new tourist location and as the location grows in popularity more psychocentric types of visitors start arriving as well, eventually driving the allocentrics to other novel locations. This is exactly how Plog's argument goes as well, and there is sufficient evidence to show that this really seems to be the case. As a resort moves along its life cycle (see chapter 3.1 Tourist Area Cycle of Evolution) from exploration stage through development and growth stages to stagnation, allocentrics who enjoyed it in the earlier phases start finding it less and less appealing and more boring, while the psychocentrics typically find it more and more appealing, safe and comfortable, at least up to the stagnation point. Indeed, according to the theory allocentrics are always the first to discover resorts, but as they become more developed and start attracting more people from the middle parts of the continuum, the allocentrics will move on and the psychocentrics will take over. (Pearce 1995, 10-11)

Since Plog's (1973, 13-16) theory other, more advanced, psychographic studies have been put forward attempting to provide more detailed personality characteristics and understanding of consumers in terms of their way of living. Analyzing the tourists' daily activities, interests, opinions and attitudes towards various types of vacations accomplishes this. Although psychographic evaluations have been blamed for being too general, they have led to successful promotional programs where, for example, vivid nightlife has been pushed strongly in marketing for persons enjoying nightlife, or sporting activities for someone who enjoys sports. However, these kinds of psychographics are primarily marketing concerns and therefore are not dealt with any detail in this study. (Witt & Moutinho 1994, 316-319)

3.7.4 Typologies of Tourists by Smith

Different types of tourists may have very different impacts on the host society, and Smith's (1978, 8-13) tourist typologies is aimed directly at this issue, hence it is possibly the most crucial way of segmenting tourists for the purposes of this study. This segmentation divides tourists into seven typologies following a continuum along levels of adaptation to local norms and codes of behavior. The seven categories created by Smith are listed in the table below:

Table 1: Typologies of Tourists by Smith

Type	Numbers of Tourists	Adaptations to Local Norms
explorers	very limited	accepts fully
elite	rarely seen	adapts fully
off-beat	uncommon but seen	adapts well
unusual	occasional	adapts somewhat
incipient mass	steady flow	seeks western amenities
mass	continuous influx	expects western amenities
charter	massive arrivals	demands western amenities

Source: Smith (1978, 9)

The further down the list goes, the less adaptable the tourists become, and hence they will also have a greater impact on the host society, as they require more western amenities and standards (provided the tourists originate from western countries). To make it worse, the increasing number of arrivals towards the bottom of the list only magnifies the impacts and will often actually cause irreversible changes to the host economy. The explorers may be equated to Plog's (1973) allocentrics and charter tourists to psychocentrics (see chapter 3.7.3 Psychographic Classification by Plog). (Pearce 1989, 216-217)

Cohen (1972) has also crafted a similar classification system prior to Smith, but with only four basic types: organized mass tourist, individual mass tourist, an explorer and a drifter. Both types of mass tourists are seen as a part of institutionalized tourism. Cohen's four typologies can easily be related to Smith's seven typologies, and also correlate well with Plog's psychographic classifications.

More about the various impacts of tourism and different types of tourists can be read from chapter 6 Socio-Economic Impacts of Tourism.

3.8 Economic Impacts of Tourism

The economic impacts of tourism are mainly positive, but negative impacts can also be identified. Paajanen (1993, 20-42) has researched economic impact analysis using the Nordic Model and the Tourist Economic Model. Both of these models seem useful, but as the empirical data required for their use is not available I will not consider these models in the scope of this study. The positive economic impacts of tourism have been known for decades now, but the negative economic impacts have only recently been noticed by the international community. On the positive side, tourism brings about rapid growth, both direct and indirect, on several sectors of the economy. It can be said to be a sort of catalyst to economic development. However, this is only completely true when examining mere economic criterion, such as GDP or per capita income for example. If economic impacts are examined in the light of *political* economy, where the economic benefits of tourism are weighed against *all* associated costs of tourism, the negative impacts can be seen more clearly. Most of the negative economic impacts mainly stem from the concept of *opportunity costs* of using scarce resources for tourism development that could have otherwise been used for alternative purposes. This is especially true in areas where there are shortages of labor or investment capital. So in essence it all boils down on how to define economic impacts, whether only absolute economic figures are observed or a wider view, involving all associated costs, is used. (Mahapatra in Tisdell & Roy, 1998, 93; Pearce 1989, 211; Cooper et al. 1993, 115)

3.8.1 Stage of Tourism

An important issue to consider regarding the economic impacts is the timeframe. Perhaps the most crucial distinction between short-term and long-term economic impacts arises from recognizing the current stage of tourism development, whether it is still at developmental stage or whether it has already moved on to operational stage. Naturally, the developmental stage is a stage when the tourist facilities and infrastructure are still being constructed, developed and expanded. During this stage, most of the capital will be that of developers, their financiers and the state in form of investments. The second stage is operational, when the tourists are already using the facilities and most of the capital will be that of the tourists, which will enter circulation in the host country's economy. It is also possible for these two stages to co-exist side by side, for example in an already established resort town that is still being expanded. During the developmental stage tourism will not bring about large gains to the host-economy, but during the second stage the positive economic impacts will be felt on different levels of the society. When an area has reached the operational stage the tax revenues collected from tourism may also reach very substantial levels, even exceeding 50% in some small countries heavily dependent on tourism (i.e. Bermuda). (Pearce 1989, 192 & 213)

3.8.2 Tourism Multipliers

There is one more thing that should definitely be considered before starting to truly evaluate the different economic impacts of tourism, and that is known as the multiplier effect. Basically, what is meant by the multiplier effect is the fact that the revenue generated by tourism will filter through to different sectors of the economy as well through increased incomes – and thus increased spending of those working in the tourist industry. This will stimulate the economy as a whole and eventually increase the GDP of a nation. Tourism multipliers reflect the interrelationships between direct expenditure by tourists and secondary effects (indirect and induced expenditure), and they can be further divided into different types of more specific multipliers, such as sales or transaction multipliers that measure the extra business created (direct and secondary) by an extra unit of tourist expenditure. Essentially multiplier is the ratio of the sum of primary and secondary impact to primary impact alone. The value of the multiplier depends on the size and nature of the economy and on the linkages between different sectors of the economy. (Pearce 1989, 207-208; United Nations 2000, 92-93)

3.8.3 Currency Inflow Generated by Tourism

The contribution of hard currency in increased foreign exchange earnings to the balance of payments by tourism is probably one of the most important reasons why any country (developed or developing) is promoting tourism. Some of the developing countries (i.e. Myanmar) are even imposing minimum currency exchange regulations on foreign visitors (South-East Asia on a Shoestring 1999, 502-503). Although tourist expenditure might seem like a minor contributor to the national balance of payments, it is in fact very important. Pearce (1989, 195) lists three reasons that make tourism so significant: 1) It has been, and still is, a growth industry [although the recent threats of terrorism and SARS might be causing a temporary contraction]. 2) The tourism market, unlike that for many manufactured or primary goods, is relatively little protected. Moreover, it is a market that comes to the producer. 3) For many countries, tourism may represent a diversification of the economy and a means of lessening reliance on traditional exports. (Pearce 1989, 194-199; Mathieson & Wall 1982, 52-59)

However, estimating the total value of tourism generated currency inflow is difficult because generally only the currency inflow from the primary effects (actual visitor expenditures made by foreign visitors within the home country) is accounted for. The secondary and the tertiary effects are more difficult to measure and are therefore often left out of the balance of payments, as they are in the case of Thailand. The secondary effects can be further divided into direct, indirect and induced secondary effects, and they occur as the direct primary effects are filtrating into the other sectors of economy (multiplier effect). The tertiary effects are currency flows that do not arise directly from tourist expenditure but are instead stimulated by the tourist activity in some other way (i.e. investments abroad for promotion of tourism). (Pearce 1989, 194-199; Mathieson & Wall 1982, 52-59)

Overall, the currency inflow generated by tourism is very beneficial for the host economy. However, there is one negative aspect in it when it comes to tourism in the developing countries, and that is tourism-induced inflation. As Thailand can perhaps still be considered a developing country despite its rapid industrialization, this aspect is worth some consideration. In the developing countries there often exists a vast difference between the income levels of the locals and that of the tourists. This will often result in an amount of "loose cash" waiting to be used up by the tourists in the resort areas, and the price levels tend to go up locally. As the price levels go up, the resort areas become more expensive to live for the locals as well, thus enforcing the effect. This is especially true for areas with many high-class tourist establishments, such as Phuket in Thailand. (Pearce 1989, 212)

3.8.4 Impact on Employment

Generally, as tourism of scale starts to emerge in a region, it will start to generate employment around itself. When tourism increases it will always generate businesses catering for the tourists, and this in turn will generate jobs. The more tourists there are, the more job opportunities there will be as well. The tourist industry is essentially a branch of the service sector, and is therefore very labor intensive. The employment arising out of the tourist industry can be divided into direct (jobs directly resulting from expenditure on services and goods by tourists), indirect (employment generated by the tourism enterprises associated with the direct employment at suppliers of goods and services to their businesses) and induced (employment generated by the general expenditure of direct and indirect tourism sector employees in the national economy) employment. (Mathieson & Wall 1982, 76-82; Pearce 1989, 199-202; World Tourism Organization 1998b, 87-96)

It is generally accepted that tourism industry is an important industry for the generation of new jobs, but some criticism on the topic has been raised as well. It has been suggested that the jobs created in the tourist sector may have been lost in some other sector – especially agriculture (Pearce 1989, 211) – and that some jobs are only seasonal part-time jobs with low wages, while most of the senior positions are actually filled by expatriates from the developed countries. In spite of the criticism, tourism is still usually considered a very important source of employment and the creation of these jobs is usually a lot cheaper for the host economy than trying to create jobs in the other sectors of the economy. Additionally, there are often numerous local entrepreneurs in resort areas offering services targeted specifically for the tourists. (Mathieson & Wall 1982, 76-82; Pearce 1989, 199-202; World Tourism Organization 1998b, 87-96)

3.8.5 Regional Development of Resort Areas

Tourism can be a great force behind development. In many developing countries the metropolitan downtown areas might already be well developed by international businesses and the government, but the peripheral areas could be lagging far behind. However, sometimes it is just these peripheral areas, especially beach locations, that attract the tourists, and the development often follows. In many established tourist destinations in Thailand and elsewhere the improvements on local and regional transportation networks, water quality, sanitation facilities and garbage disposal may have originally been prompted by the tourist industry. It should be noted that this sort of improvements on the infrastructure benefit all other sectors of the economy as well. Additionally, regional development also brings in more tax revenue to local authorities, especially in the form of property taxes as more land is required for developments. (Mathieson & Wall 1982, 82; Pearce 1989, 202 & 211-214)

On the flip side of the coin, it may be noted that tourism, like any other new economic activity, may also disrupt or compete with other sectors of the economy. In other words, there may be opportunity costs associated, as the resources devoted to tourist development cannot be used in other sectors – although some synergies might exist. Another negative point to note is the possibility of tourism-induced inflation locally. However, as this issue has already been introduced in chapter 3.8.3 Currency Inflow Generated by Tourism it will not be discussed here any further. In promoting regional development it should always be maintained that the development must be sustainable, and the possibilities of developing eco-tourism should not be overlooked either. (Mathieson & Wall 1982, 82; Pearce 1989, 202 & 211-214)

3.9 Social Impacts of Tourism

Social and cultural impacts are closely related topics, and that is the reason I have decided to combine them under one heading in this study. After all, culture – although a broad issue – can perhaps be simply thought of as a product of social conduct over time. Most of the literature I have studied mainly focuses only on the social issues, but in my opinion the cultural impacts are worth examining as well, and should be addressed in conjunction with the social impacts. The overall social impacts of tourism are often thought of as somewhat negative, and this view is also reflected in the literature. The same negative view is also held about the cultural impacts, although tourism is recognized to sometimes be beneficial as well, for example in providing a motivation for the preservation of old traditional art forms that could perhaps otherwise disappear (Mathieson & Wall 1982, 166).

3.9.1 Relationships between Tourists and Residents

> Socio-cultural impacts are the outcome of particular kinds of social relationships that occur between tourists and hosts as a result of their coming into contact. The nature of these relationships, or "encounters", is a major factor influencing the extent to which understanding or misunderstanding is fostered by the tourism process. (Mathieson & Wall 1982, 135)

These social relationships may develop very differently from each other depending on a number of factors, for example the stage of development, the number of previous contacts with tourists and their pleasantness, and the type of tourists (i.e. explorers versus mass tourism). However, there are four major features in common with most of these relationships as defined by UNESCO (1976, 82) in Mathieson & Wall (1982, 135-137):

1. *Its transitory nature:* The relationship is temporary since the tourist usually only spends a short time in a given destination and is not very likely to meet the same people afterwards.

2. *Temporal and spatial constraints:* The relationship is influenced by the pressures of time and space as the tourists attempt to see everything in a very short period of time, which also reflects on their behavior.

3. *Lack of spontaneity:* Especially in mass tourism, everything is usually planned for in advance and the delivery has become a routine.

4. *Unequal and unbalanced experiences:* Material inequality between the tourists and the hosts in developing countries can be huge, and this will always have an influence on the relationship.

These constraints on the relationship are also addressed in Guidelines on Integrated Planning for Sustainable Tourism Development by the United Nations (2000, 124-127), and they will make it difficult for true, meaningful relationships to develop. Generally the relationships will remain very superficial by nature. There may also be conceptual differences in how the tourists and the hosts experience the relationship. Sometimes the tourist may experience it as genuine and unique, while the host only views it as just one of many such relationships.

3.9.2 Tourist Resentment

One aspect of the relationship issue is tourist resentment. Some researchers, such as Mathieson & Wall (1982, 138), have noted that the impacts these social relationships have in at least some host societies are rather negative, and the hosts have started to feel irritated, or even antagonistic, towards the tourists. The level of irritation will be determined by their mutual compatibility, but even in seemingly compatible groups the sheer numbers of tourists may create tensions, as they may become a threat to the lifestyles of the locals. It has also been suggested (ibid, 141) that there is some sort of threshold of tolerance towards tourists by hosts that can vary form place to place and from time to time. As long as the numbers of tourists and their combined social impacts remain below this threshold, and economic impacts continue to be positive, the presence of tourists is typically accepted and welcomed by at least the majority of the host population. However, in a given area there are typically always mixed attitudes towards tourism, and different people will react differently towards tourists.

To expand further on the issue of tourist resentment, there are three factors identified by Mathieson & Wall (1982, 142-148) that seem to be the strongest forces behind the feelings of resentment towards the tourists: The first factor is the *physical presence of tourists* alone, especially in large groups and if there are ideological reasons for resentment, such as a way of life that is seen as inappropriate by the host society. The locals also often complain about having to share facilities and services with the tourists that they are likely to change anyway to suit their own needs better. The second factor is known as the *demonstration effect,* and that occurs because of the apparent wealth gap between the tourists and the locals. The locals would like to copy the consumption patterns of the tourists but are unable to do so and start having feelings of resentment towards it. Also the tourist behavior, often less constrained than life at home, may raise resentment. The secondary demonstration effects may sometimes be strong enough to actually change the social structures in the host societies (ibid, 145-147). The third and final factor is *foreign ownership and employment*, since the foreigners seem to often own the most valuable facilities and hold all the well-paid senior positions, while the locals often have to settle for lower (servant-like) positions. Some authors (i.e. Bugnicourt 1977) have even characterized tourism as a form of neo-colonialism.

3.9.3 Creation of Informal Shadow Economy

The tourism industry in the less developed countries will typically provide opportunities for a number of locals to receive part of the profits of the tourist industry through means that will never show up in the official statistics. This sector as a whole is usually described as the *informal sector*. Most activities in the informal sector are activities that could be carried out in the formal sector as well. Some of the activities are morally questionable or simply illegal. Some activities carried out in this sector may also be very harmful for the tourists, such as robbery, pick pocketing or different types of scams aimed towards the tourists, but other activities may be very beneficial and warmly welcomed by the tourists. The type of moral decline sometimes associated with tourism (Mathieson & Wall 1982, 149-152) leading to prostitution, crime and gambling may well have increased due to tourism, and may in fact be part of the demonstration effect discussed in the previous chapter 3.9.2 Tourist Resentment, but the linkages are very hard to demonstrate conclusively.

The informal sector usually operates without any government sanctions or registration procedures, and is frequently operated by those who might otherwise be unemployed – sometimes finding here the only alternative against turning into serious crime, although working in the informal sector is usually a crime in itself. In this sector many types of activities can be found: unlicensed guesthouses and cafes, street guides, pimps and prostitutes, drug dealers, scam artists and all sorts of hustlers. A common factor for these services (obviously scamming and hustling not included as *services*) is that they are usually cheaper than the official services, and sometimes a certain service might not be available from the official sector at all, like recreational drugs for example. However, this sector still operates according to the economic laws of demand and supply, and if nobody wanted to buy drugs they would not be a problem either. (Crick in Harrison 1992, 135-147)

What is positive about these services, and the people providing them, is that it is usually purely local and the profits generated will typically remain in the society. Additionally, tourists who have a demand for these services now have more options to choose from. On the flip side of the coin, one can never be sure of the quality of the service or may end up cheated in some other way, which would in the long run have a negative impact on the resort's reputation. From the host society's point of view, it is usually considered negative since the informal sector may often compete directly with the formal sector, thus reducing the incomes in this sector. Additionally, there will be no tax revenue for the state. However, at times the formal and informal sectors may operate together in a vertical alignment where, for example, street guides or taxi drivers receive commissions from the businesses in the formal sector when they bring in customers. (Crick in Harrison 1992, 135-147)

3.9.4 Sex Tourism

One extreme, yet common, type of informal "business" relationship is a paid sexual relationship between a tourist and a local. In some cases this sort of relationship can develop to be more than just sex, and in some cases (perhaps more often in Thailand than in most other countries) it can even lead to marriage or some other long-term relationship. At any rate, sex tourism is a viable component of the touristic attractiveness of many less developed countries – including Thailand, where sex tourism has long been among top attributes attracting foreign tourism (Leheny 1995, 372).

Putting ethics aside, the positive economic impacts of sex tourism should be noted. For example, Naivabu and Schutz (in Harrison 1992, 65) argued in the case of Fiji: "Prostitution is a fully localized industry which gives employment to unskilled female workers for most of whom no other jobs are available. It requires no investment of foreign capital, yet it brings in large amounts of foreign exchange with a minimum leakage back overseas." Nevertheless, while tourists might like to take advantage of these services, the indigenous forms of prostitution had been established long before the arrival of tourists. According to Hall (in Harrison 1992, 68) this indigenous stage of prostitution then changed to a stage commanded by economic colonialism and militarization, primarily by American and Japanese forces, and only then did the international tourists enter the picture. As of today, the impacts of sex tourism can easily be seen in various countries in the developing world, but for as long as it is seen positive from the economic point of view the authorities have no intentions to stop this activity. (Harrison 1992, 64-67)

3.9.5 Social and Cultural Adaptation

Tourism is able to accelerate cultural change, and if there is change it is nearly always change in the host society, as the single returning tourist has little impact in his or her (generally wealthier) home culture even if he or she personally would have been "culturally converted". Westernization, especially Americanization, is a well-known phenomenon, but a large part of the blame for it lands on the media, multinational corporations and modernization, not just on tourism. A good example of westernization could be for example the emergence of fake Nikes and Rolexes that are sold in the local market places to both tourists and locals alike. However, culture is multidimensional and while some aspects of cultural change can be considered negative some other aspects of it are clearly positive. Take for example improvements in the medical culture of the host culture as a result of tourists and expatriates who are used to better facilities or a contribution to education if more and more people learn English in order to communicate with the tourists. As can be seen, *acculturation,* or the process of cultures adapting towards each other, can also be positive. The negative side of it is, naturally, the possible disappearance of the original culture as it makes way for the new culture. In any case, it is argued that the communication between different cultures may result in changes in the host culture, as noted earlier, but it can also help to preserve it – or even to revitalize it – in response to demand created by cultural and ethnic tourism. According to Mathieson & Wall (1982, 163) the outcome depends on three factors:

1. *The type of tourists*: see chapter 3.7 Segmenting the Tourist Types
2. *The context in which the contacts take place:* Influencing factors include the length of stay, willingness to share values and attitudes, language barriers, etc.
3. *The role of cultural broker:* Translators and guides.

Since most relationships between tourists and locals face the constraints described in chapter 3.9.1 Relationships between Tourists and Residents, tourism only rarely generates strong intercultural relationships, and therefore most tourists do not really learn the true social and cultural conditions in the host society. So instead of destroying misconceptions, tourism (especially mass tourism) unfortunately may often only strengthen those misconceptions. (Mathieson & Wall 1982, 160-164)

4 BACKGROUND INFORMATION ON THAILAND

The purpose of this chapter is to provide enough background information about Thailand so that the study itself could be better understood and placed in the right context by readers who might not be familiar with Thailand previously. As Thailand is generally not very well-known in Finland, and as knowledge about these issues is practically a prerequisite for understanding tourism in Thailand, a relatively detailed description of the following topics is considered necessary. Topics covered in this chapter include geographical location and features, ecology and environment, brief history and finally the economy and importance of tourism for the economy.

4.1 Geographical Location and Features

Thailand is located at the heart of Southeast Asia, bordered by Malaysia in the south, Cambodia in the east, Laos in the northeast and Myanmar in the west and north. The location on the Asian tropical belt alone is a strong factor promoting Thailand as a tourist destination, since this region of the world is generally considered very pleasant in terms of climate and environment. The geographical area of Thailand is 514,000 sq km, making it nearly the size of France. Thailand's shape on the map can be likened to the head of an elephant, with its trunk extending down the Malay Peninsula. The centre and capital of Thailand is Bangkok, located at the tip of the gulf of Thailand. (O'Mara 1999, 918 & 328)

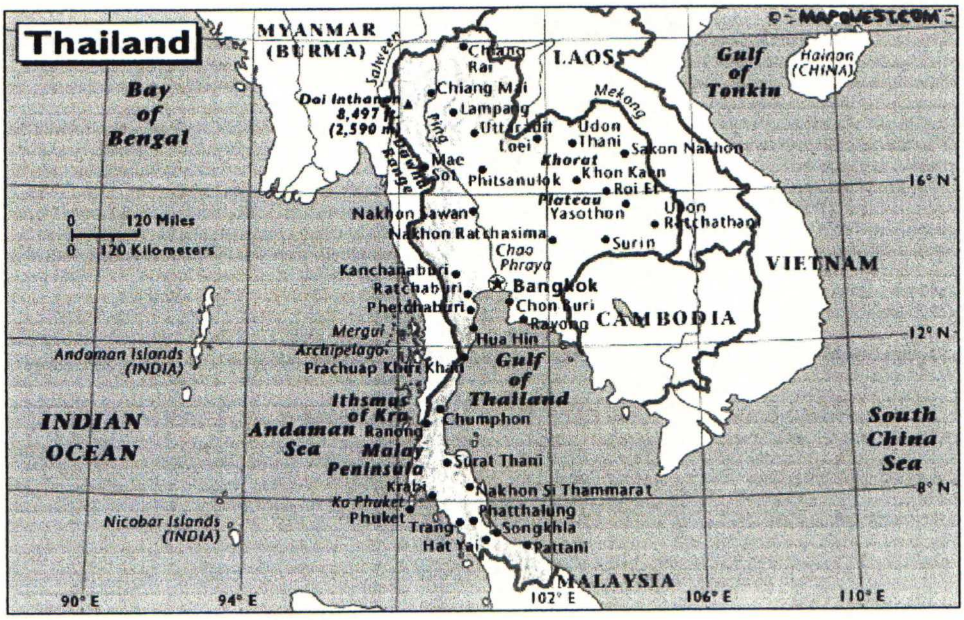

Figure 3: Map of Thailand

Source: Mapquest.com (2002)

Thailand's topography varies from high mountains in the north to limestone-encrusted tropical islands in the South. The rivers of northern and central Thailand flow to Gulf of Thailand, while the rivers in the northeast empty to South China Sea via the Mekong River that marks the border between Thailand and Laos. These geographical phenomena divide the country to four distinct regions: the fertile central region, the semi-arid northeastern plateau, the mountainous northern region and the rainforest covered southern peninsula distinguished by tropical beaches and offshore islands. Thailand has an extensive coastline of 2710km in total length, and an access to both the eastern Gulf of Thailand and the western Andaman Sea. (O'Mara 1999, 918; Travel and Tourism Intelligence 2002, 5)

4.2 Ecology and Environment

One of the principal attractions in Thailand is its nature, and therefore it is worth examining Thailand's ecology and environment. Just 50 years ago rural

Thailand still had 70% forest coverage, but as of 2000 only an estimated 20% of this natural forest coverage remains. However, in 1989 the government banned all logging due to continued deforestation and a serious logging accident in which hundreds of tons of logged timber rolled down a mountainside in Surat Thani province burying a number of villages and killing more than 100 people. Although some illegal logging still occurs, controlling the ban is relatively easy as the land border with Malaysia is short, Cambodia does not export any lumber and trade relations to Myanmar are severed so no lumber comes from Myanmar either. This leaves Laos as the primary source of timber sold in Thailand. All timber sold in Thailand must be officially accounted for before going on the market, and builders even need government authorization to use timber salvaged from old houses. Therefore, it seems likely that the remaining forests of Thailand and the animal population within them will survive for future generations to enjoy as well, especially as the government has also created a large number of protected parks, reserves and sanctuaries since the 70s and completely protected several plant and animal species. Additionally, the government hopes to double the total forest coverage during the next 50 years. (Cummings & Martin 2001, 29)

However, some problems remain in the protection of the environment and endangered species. Corruption and low salaries of forest rangers mean that sometimes the protection laws are not effectively enforced: Illegal tourist accommodation has flourished in some protected coastal zones, "jungle" restaurants have served endangered animals on their menus, and the highly endangered tiger has been poached for the Chinese pharmaceutical markets. Additionally, over-fishing and illegal release of untreated pollutants have nearly ruined the upper part of the Gulf of Thailand, once one of the most fertile marine areas in the world. However, now the government is cracking down on these violations and hopefully the situation will improve in the near future. However, in some instances it has also been the government that has violated nature, with a recent example being the development of Yadana gas pipeline through pristine A-1 classified natural forest in Ratchburi province despite large-scale protests, an act in direct violation of the Thai constitution forbidding the cutting of A-1 forest for any purpose. (Cummings & Martin 2001, 29-31)

Unfortunately, it is often also (unsustainable) tourism itself that can be blamed for the degradation of nature, such as violating protected zones with unlicensed tourist accommodation or overdevelopment of tourism that can be observed for example in Koh Phi Phi, a *used-to-be* diver's paradise where the majority of the coral reefs are now dying, and especially Pattaya and Phuket, which fortunately have now been decreed pollution control areas eligible for government cleanup funds with the passing of the 1992 Environmental Act. (Cummings & Martin 2001, 30-33)

Perhaps the most visible abuse of nature occurs in areas that do not have proper waste disposal services, and garbage just ends up thrown away in the nature. A small minority of foreign tourists also contributes to this disgrace towards nature, and the sight of discarded plastic drinking bottles on popular beaches can usually be blamed on the tourists. However, despite some negative contributions tourism has caused for the environment, tourism in general has had a positive impact on the environment in the form of environmental protection. Conscious that the country's natural beauty is a major tourist attraction, and tourism a major revenue earner, the government has increased its efforts to provide protected and sufficiently large areas of wilderness to be enjoyed by the tourists (and locals), as well as organizing cleanups of popular resort areas such as Pattaya. The foreign tourists may also be able to (positively) influence the environmentalism of tourism operators by their opinion and the choices they make. (Cummings & Martin 2001, 30-33)

4.3 Brief History

Thailand has a very colorful history that has left behind a number of interesting historical attractions and a fascinating culture, and in order to appreciate the significance of these attractions and to understand the development of Thai culture, it is necessary to be familiar with Thailand's history. Areas of Thailand around the Mekong River valley and Khorat Plateau have been inhabited for roughly 10,000 years already, and there is evidence that the first true agriculturalists may have been from this region and conclusive evidence that rice was cultivated here as early as 4,000BC and Bronze metallurgy before 3,000BC. There is no common agreement on the origin of Thais, and academic arguments range widely. However, it is known that by the 6th century early Buddhist monarchic kingdoms existed in Thailand, until the westward movement of Khmers from what is now Cambodia. Their influence can be witnessed in all of northeastern Thailand even today. (Cummings & Martin 2001, 14-17)

In 1238 Thai King Si Intharathit rose to power in Sukhothai, which was to become the first true Siamese capital. Another Thai kingdom, Lan Na Thai, was formed by King Mengrai in Chiang Rai in the north and later moved to Chiang Mai. In 1350 the Prince of U Thong found yet another Thai kingdom in Ayuthaya, which eventually overshadowed Sukhothai. Ayuthaya never disturbed the northern Thai kingdom built around Chiang Mai, but was by far the most dominant city in Siam for the next two hundred years. During these times of different kingdoms a number of Thais also migrated to Laos and the Shan state in Myanmar. During the Ayuthaya period the Khmers were pushed out of Siam and the Khmer capital of Angkor was abandoned, and the jungle grew around it to hide it up to late 19th century. (Cummings & Martin 2001, 17-19; O'Mara 1999, 918-919)

In the 16th century the Burmese invaded Thailand, conquering Chiang Mai in 1558 and Ayuthaya in 1569. Since those times the Burmese have been the archrivals of the Thais. Thais were able to push the Burmese out of Siam at the turn of the 17th century, but then in 1767 the Burmese attacked again and completely destroyed Ayuthaya. They were once again driven out of Siam under the leadership of General Phraya Taksin, but the capital was never rebuilt. Taksin then appointed himself the king at the new capital of Thonburi. King Taksin was considered a great leader, but towards the end of his reign he lost his mind and was replaced by one of his generals, Chao Phraya in 1782. He was the first king of the current dynasty, known as King Rama I, and as he ascended to power he moved the capital to Bangkok. In the 19th century, while the French, Dutch and British were colonizing the other parts of Southeast Asia, Siam remained independent. By clever politics Kings Rama IV and Rama V managed to keep Siam independent while obtaining many of the material benefits from Europe that the colonizing powers brought with them. (Cummings & Martin 2001, 18-22; O'Mara 1999, 919)

In 1932 a peaceful coup converted the country into a constitutional monarchy and in 1939 the kingdom of Siam became the kingdom of Thailand. Shortly afterwards it was conquered by the Japanese in World War II. After the war, when the Japanese were pushed out of the country, Thailand was ruled by a number of ever-changing leaders, mostly from the military, through turbulent times of coups and military dictatorship. In response to political repression, 10,000 Thai students publicly demanded a real constitution in June 1973. Later the same year another demonstration led to a brutal break-up by the military, but the military leaders responsible were forced to leave Thailand as King Bhumibol and General Sivara refused to support any further bloodshed. Kukrit Pramoj became the prime minister, and he instituted a national minimum wage and ejected the U.S. military forces from Thailand that had stayed since the American war on Vietnam. However, in 1976 the military took over once again. Governments changed through coups and elections, and in 1991 the military overthrew the Chatiochai government in Thailand's 10th successful coup since 1932. One year later a civilian government was reinstated. One fact particularly notable about Thailand, compared to its neighbors, is that it has never been colonized or externally controlled for long enough to dampen the Thais' individualism, and although the leadership of the country has often changed its people have never been divided by a civil war. (Cummings & Martin 2001, 23-25; O'Mara 1999, 919-920)

4.4 Economy

Thailand's economy has undergone a dramatic change over the last 25 years, from an agricultural economy through a period of import-substitution to an export-oriented industrial one, although agriculture still remains the mainstay of Thailand's export economy. Agriculture employs around 57% of the Thai labor force and agricultural products accounts for 14% of exports (National Statistical Office 2001, 36 & 274-280). Thailand is world's number-one rice and natural rubber producer, second in tapioca and fifth in coconuts. Other major agricultural export products include sugar, maize, pineapple, cotton, jute, green beans, soybeans and palm oil. Processed food and beverages also account for significant export earnings. Manufacturing has risen to be the second most important sector in Thai-economy accounting for 40% of Thailand's exports, and employing 17% of the labor force (National Statistical Office 2001, 36 & 274-280). The most important manufactured products are textiles, cement, electronics, petrochemical products along with the manufacturing of cars and trucks. Surprisingly enough, Thailand actually has the second largest market for pick-up trucks in the world right after the United States. Thailand also has substantial natural resources including tin, petroleum and natural gas. Services, including tourism, employ 15% of the labor force while hotel and restaurant workers alone account for 6% (National Statistical Office 2001, 36). Commerce employs the remaining 11% of the labor force (ibid). Thailand's top export market is the United States, followed by Japan and Singapore. (The Economist Intelligence Unit 1989, 185-207; Cummings & Martin 2001, 40-41)

In July 1997, after several months of warning signs that nearly everyone chose to ignore – including increasing speculative foreign investment on real estate and share market rather than on the manufacturing sector where investments would have been needed, high amount of dollar nominated debts (which the baht was pegged on) and the strong appreciation of the dollar – the nearly 20 year boom Thailand's economy had enjoyed went bust together with other economies in Southeast and East Asia. Thailand was among the countries hit hardest. Before the crisis Thailand had enjoyed a steady GNP growth rate of more than 8% annually (Thailand Business Profile 2001, 2), and was right behind the little dragons of Asia, namely Hong Kong, Singapore, South Korea and Taiwan in economic development until the Asian economic crisis saw Thailand's economy dwindle: the baht depreciated 40% against the U.S. dollar, external debt rose to 52.4% of GDP, bad loans doubled to 18% and many businesses became insolvent in just four months. Thailand fell into a rapid and deep depression with the economy shrinking by almost 10% the following year as property and other asset prices collapsed, unemployment rose and real wages declined. However, in recent years Thailand has made an impressive economic recovery. (Global Education 2003; Cummings & Martin 2001, 39-40; O'Mara 1999, 920-921)

For 2003, the projected growth for Thailand's economy is 4% (Finpro 2002, 10). The growth rate is improving again after a long slump following the economic crisis of 1997, but it is still a far cry from the pre-crisis average growth of more than 8% annually that Thailand enjoyed for more than a decade before the crisis based on rapid industrialization and high rates of savings (Global Education 2003; Thailand Business Profile 2001, 2). Among other benefits reaped form the rapid economic growth, it also acted to reduce poverty from 33% of the population in 1986 to just 11.4 % in 1996 (Global Education 2003). Considering the severity of the economic crisis, recovery has been remarkable. The inflation rate in 2001 was only 1.6% and unemployment rate just 3.9% (Travel & Tourism Intelligence 2002, 1). Thailand's GDP per capita from 1990 is presented in the figure below. Real economic growth 1997-

2001 expressed in percentage growth of GDP in relation to percentage growth of tourism earnings can be found from the next chapter 4.4.1 Significance of Tourism in figure 5.

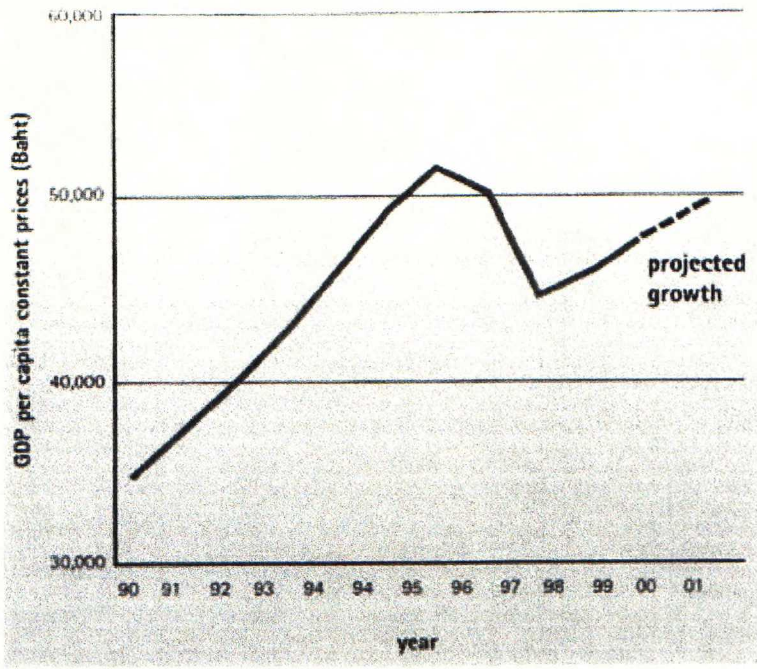

Figure 4: Thailand's GDP per capita from 1990
Source: Global Education 2003

Regionally, Thailand's northeast has the lowest inflation rate and cost of living. In Nakhon Ratchima a significant center for metals and the automotive industry exists, but for most of the area hand-woven textiles and farming remain the primary means of livelihood. This region of the country does not get much tourism and is generally poorer than the rest of the country, therefore offering travelers not following the traditional travel routes an excellent value for their travel dollars. In the south of Thailand the economy revolves around fishing, tin mining, palm oil and rubber production, with an important seasonal boost from tourism. Central Thailand, in addition to the international corporations of Bangkok, is where most of Thailand's continually expanding industry (especially textiles, cement and food processing) is located. Fruit, sugar cane and rice grown for export are also predominantly from this region. Northern Thailand produces a lot of Thailand's rice for domestic consumption, maize, tea, various fruits and flowers and is very dependent on tourism. Forestry and logging used to be important parts of the economy up north, but now logging has been completely banned since 1989 to prevent deforestation. As in the northeast, many parts of rural north are quite poor. (Cummings & Martin 2001, 41)

Thailand's economic growth is mainly export oriented, and it also stands to gain from the increasing international trade of Laos, Cambodia and Vietnam, as Thailand acts as a gateway to the region. Thailand is a member of ASEAN (Association of South-East Asian Nations), and therefore also the member of AFTA (ASEAN Free Trade Area), which is gradually moving towards a true free trade area that is supposed to be completely free of restrictions in 2008. This agreement could prove very advantageous for Thailand, as the manufacturing base in Thailand is large and labor force educated, yet inexpensive. Additionally, Thailand is a part of APEC (Asia-Pacific Economic Cooperation), and although this organization has not yet shown much real cooperation, it may prove beneficial for Thailand in the long run. Thai government also has plans for a *southern growth triangle* linking the economy of southern Thailand with Malaysia and Indonesia, and a *northern growth quadrangle* linking northern Thailand with Yunnan province in China, northern Laos and northeastern Myanmar. (Cummings & Martin 2001, 41-42)

4.4.1 Significance of Tourism

Since 1982 tourism has become a major earner of foreign exchange, occasionally outperforming even the country's single largest export, textiles (Lan 1997, 286). The value of tourism receipts, Thailand's most significant source of foreign currency (Finpro 2002), has consistently been more than 10% of the value of commodity exports (National Statistical Office 2001, 203 &

273). In 1998 the tourism receipts reached U.S. $9.1 billion, or around 10% of the gross domestic product (GDP) (Goad & Crispin 1999, 60). However, this year was exceptional as most other sectors of the economy were depressed by the economic crisis that begun in 1997. In 2002, due to exchange rate fluctuations, the tourism industry accumulated a somewhat declined U.S. $7.7 billion (compared to U.S. $9.1 billion in 1998) in foreign currency earnings, accounting for a more typical 6% of Thailand's GDP as other economic sectors improved their post-crisis performance (Crispin 2003, 44-47). Although that represented a decline in dollar terms, in Thai baht the tourism earnings have been in stable growth.

In economic terms, 1997 was the year that temporarily changed the direction of Thailand's rapid growth, and that is the reason it has been chosen as a reference year in figure 5: % Growth of Tourism Earnings and GDP in Thailand 1997-2001. Between 1997 and 2000 the growth of tourism earnings was significantly higher than the growth of Thailand's GDP, as tourism spending was increased by baht's devaluation while the other sectors of the economy were suffering. This created a sizeable gap between the growth of tourism earnings and GDP until 2000 when this gap became less significant again.

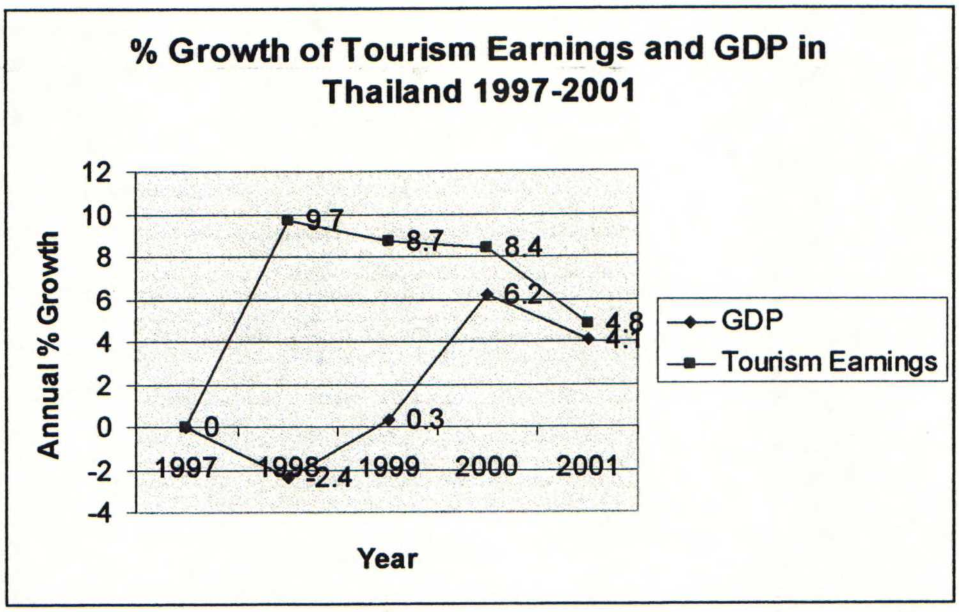

Figure 5: % Growth of Tourism Earnings and GDP in Thailand 1997-2001
Source: Travel & Tourism Intelligence (2002, 6)

Aside from being a major source of Thailand's foreign exchange, the tourism industry is also a major source of employment in Thailand. It is the country's second largest employer right after agriculture, employing some 4 million Thais, 12% of the labor force (National Statistical Office 2001, 36), if both direct and indirect employment are accounted for. (Goad & Crispin 1999, 60)

Nearly 11 million international tourists arrived in Thailand in 2002, an increase of 7.3% on 2001, representing a slight increase in growth rate from the previous year, but a significant decline from the double-digit growth rates sustained in 1999 and 2000 (Tourism Authority of Thailand 1998-2002). Overall, the tourism growth has been very rapid, reflecting the increasing popularity of Thailand as a travel destination. Increasing tourist arrivals continue to bring more money into the economy, and tourism is expected to help restore the country's current account balance. The current relatively low level of Thai baht has also acted to encourage more international arrivals and increase tourist spending. (Thailand Business Profile 2001, 6-7)

In comparison to other Asia-Pacific countries, Thailand has the third highest sum of tourism receipts, behind only Hong Kong and Singapore. However, it seems likely that Thailand will surpass Hong Kong in tourism receipts this year, as the SARS-virus has completely crippled Hong Kong's tourism industry. However, if purchasing parity index or the proportion of tourism receipts from GDP were to be included in this comparison Thailand would already clearly be number one. In terms of tourism account Thailand already leads the pack, as Thailand's tourism expenditures are not as high as they are in Hong Kong or Singapore. (Oppermann 1997, 19 & 24)

5 THAILAND AS A TOURIST DESTINATION

The purpose of this chapter is to examine what Thailand is actually like as a tourist destination. It will also provide answers for most of the research questions stated in chapter 2.1 Research Question and Objectives. Most of the following sub-chapters are based on the theoretical framework established in chapter 3, and the issues introduced in that theoretical chapter will now be evaluated as they relate to Thailand specifically. The latter part of this chapter focuses on the actual international arrivals, and is mainly based upon statistical data obtained from the Tourism Authority of Thailand (1998-2002) and the National Statistical Office in Thailand (2001). These statistics have then been used to derive current trends of foreign tourism in Thailand. In order to present a more coherent representation several graphs have also been used to compliment the text.

5.1 History and Development of Tourism in Thailand

Thailand has been one of the leading tourist destinations in Southeast Asia for roughly 150 years, since the Thai Kings Rama IV and V started to encourage international trading in Thailand. The first groups of tourists were merchants who took business and leisure trips to Siam. Later in the 19th century the British and French colonial tourists traveling to colonized countries around Thailand represented another important tourist group besides the trade-related travelers. Nevertheless, it was the Vietnam War that really had a profound effect on the development of Thailand's tourism industry, when destinations in Thailand were widely used by the U.S. soldiers for rest and recreation. The presence of American military forces inspired the development of an extensive entertainment industry that is still very much alive today. (Lan 1997, 286-292)

Prior to the 1970s Thailand's tourism growth was very spontaneous and lacked any appropriate planning, until 1977 when tourism was incorporated to the national plan. During the 80s the growth was staggering, as tourism receipts rose from 17,765 million baht in 1980 to nearly 100,000 million baht at the end of the decade. Tourism in Thailand has always been dominated by holiday travel as stated by visitors entering the Kingdom. (Lan 1997, 286-292)

Thailand has been ranked number three in terms of tourist arrivals in the Asia-Pacific region at least since 1980 (older comparative data were not available) after Singapore and Hong Kong, and finally it has managed to surpass these two countries in recent years and now dominates the amount of tourist arrivals in the region (South-East Asia on a shoestring 1999, 676; Hailin & Hanqin 1997, 44). The rate of tourism and tourism revenue growth since 1960 have been stunning, with tourism increasing 134-fold from 81,430 arrivals in 1960 to 10.9 million in 2002 (Rittichainuwat et al. 2001, 82-95; Tourism Authority of Thailand 2002) and tourism revenues increasing 856-fold from U.S. $9 million in 1960 to U.S. $7.7 billion in 2002 (Rittichainuwat et al. 2001, 82-95; Crispin 2003, 44-47).

Although the economic crisis of 1997 acted to increase foreign spending, it also had negative impacts on the Thai travel sector. Many domestic travel agencies went bankrupt as a result, as outbound tourism slumped and foreign contracts often became unworkable due to exchange rate fluctuations (Travel & Tourism Intelligence 2002, 23). The Association of Thai Travel Agents estimated that in 2001 there were less than 700 travel agents left out of more than 3000 in the beginning of 1997 (ibid). While Thailand's proportion of international tourism seems to be continuously increasing, some concerns among foreign visitors are caused by the AIDS scare, although the number of new infections has significantly dropped from more than 20,000 annually (1999-2000) to less than 10,000 reported cases in 2001 (National Statistical Office 2001, 256); child prostitution, although now already significantly declined; and the traffic congestion and pollution in Bangkok that only seem to be getting worse. The Tourism Authority of Thailand is attempting to address these problems, and maintains the development of quality destinations in the country as a top priority. (Hailin & Hanqin 1997, 44)

Despite of the current threats to Thailand's tourism industry, including the terrorist scare since September 11th 2001 that was only intensified by the October 2002 bombing in Bali, the increased competition from other Southeast Asian destinations (Travel & Tourism Intelligence 2002, 25), and most importantly the current threat of the SARS-virus in Asia, the future of Thailand's tourism seems bright (ibid). As evidence of that, in December 2002 most of Thailand's popular beach resorts were at nearly full capacity for the holiday season (Crispin 2003, 44-47). However, this was before the emergence of the SARS-virus, and its full impact on Thailand's tourism industry cannot be fully evaluated yet. Shortly after the Bali bombing there was also a string of minor bombing incidents (not related to international terrorism) in southern Thailand that did not, however, seem to receive much attention from foreign media or tourists (The Bangkok Post October 31, 2001).

5.1.1 Tourist Area Cycle of Evolution

Thailand's stage in the Tourist Area Cycle of Evolution (see chapter 3.1) can be observed to still be in the growth – or possibly consolidation – stage, as evidenced by the ever-increasing number of tourist arrivals (figure 6: Number of Arrivals 1997-2002). This finding provides an answer for research question 1: At which stage is the Tourist Area Cycle of Evolution in Thailand?

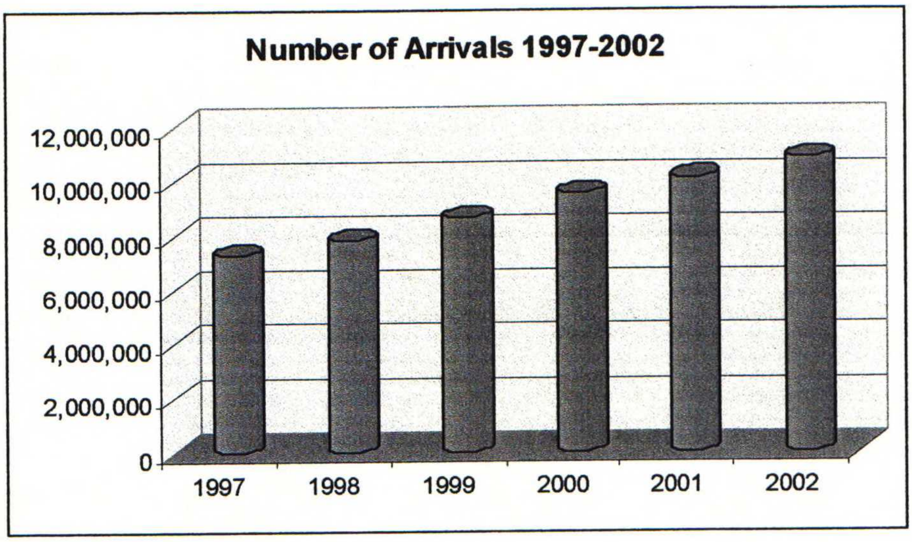

Figure 6: Number of Arrivals 1997-2002

Source: Tourism Authority of Thailand 1998-2002

However, it seems that some specific resorts have already reached the point of stagnation, like Pattaya for example. In Pattaya, although the locals have maintained their positive attitude, a majority of the businesses are under foreign ownership, there is an evident over-supply of services and the majority of the visitor arrivals are on package holidays or are repeat visitors coming back for the thriving sex industry. There is little original attractiveness or originality left in Pattaya and it is probably easier to find German bratwurst than traditional fried rice for lunch. Fortunately, there are still plenty of un-spoilt areas left in Thailand that have yet to be discovered by the hordes of tourists. (Cummings & Martin 2001, 334-345; Pattayacity.com 2002)

5.1.2 Planning for Tourism

Tourism is a serious business despite its leisurely image, and therefore planning is crucial. In Thailand the government is currently taking an active part in tourism planning (Lan 1997, 293), although in the past the planning has often been less than adequate as evidenced by the decline of Pattaya beach resort in the 1980s or the questionable business practices of some unlicensed travel operators (Goad & Crispin 1999, 60-62). However, it is with proper planning that the attraction factors of Thailand can fully be exploited and the tourist flows drawn into the country and their destinations in a controlled manner, and many problems avoided. The Tourism Authority of Thailand (TAT) is the main body responsible for tourism planning in Thailand, but a new Ministry of Tourism has also been recently established to oversee and manage this sector (Crispin 2003, 44).

Problems that may arise without proper planning might be caused by the uneven development of different factors of tourism, such as the number of tourists increasing too rapidly for the infrastructure to handle, or if the motives of different agents of development collide. For example, the local entrepreneurs in the travel industry may undermine the national tourism office's efforts to create more sustainable tourism that preserves the destination for future generations as well, as has happened in Thailand on a few occasions (Cummings & Martin 2001, 29-30). (Pearce 1989, 244-245; McIntosh & Goeldner 1984, 243-245)

5.1.3 Role of the Tourism Authority of Thailand (TAT)

The Tourism Authority of Thailand (TAT) was established on March 18, 1960 under the name of Tourist Organization of Thailand, and its main purpose was identified as the promotion of tourism (Tourism Authority of Thailand 2003, About Tourism Authority of Thailand; Lan 1997, 294). Therefore planning for tourism was actually just a lower level function carried out by the Tourism Authority of Thailand, although its importance is increasingly being recognized by TAT (Goad & Crispin 1999, 60-62). Even though for the purposes of this study planning is probably the most relevant aspect of TAT's operations, it must be recognized that the Tourism Authority of Thailand has a multitude of functions. Basically, the main functions of TAT are the same as the main functions of all other government controlled national tourist organizations around the world: to promote tourism and plan for it, to promote the overall image of the destination, to provide information and to act as a facilitator between the public and private operators of the travel industry (see chapter 3.8.3 Role of National Tourism Organizations).

Undoubtedly the most visible parts of TAT's activities are its promotional campaigns. The recent promotional campaign, Amazing Thailand 1999/2000 was very well formulated, but unfortunately the economic problems at the time truncated plans for a global front, as the budget was slashed by 50% by the government at the last minute. Moreover, the same economic slump that caused the budget cut for the campaign also affected other East and Southeast Asian countries, Thailand's most important tourism markets, and visits from these countries were somewhat reduced. Despite these problems the Amazing Thailand campaign has been a clear success as an image booster for Thailand's international travel image. Since a tourist destination is not a tangible product that can be inspected or sampled prior to the purchase, the *image* that TAT is promoting may be a very important part of the potential visitor's decision. However, it must be recognized that it is often the accounts of friends or media that are more important in forming the image of a destination. However, if a potential tourist wishes to learn more about a destination in Thailand or about Thailand in general, it is important that TAT will be able to accurately provide the requested information. (Cummings & Martin 2001, 42; Goodall & Ashworth 1990, 204)

The government of Thailand has become well aware of the significance and potential of tourism, as well as the important role of TAT in facilitating it, over the last couple of decades. The budgets granted for TAT have been increasing as TAT's success in building a "brand" for Thailand is being recognized. The budget for 2002 was Bt3.1 billion (National Statistical Office 2001, 368), about U.S. \$71 million – around U.S. \$7.10 per tourist. The budgetary allocation for 2003 has been more than doubled to a total of Bt6.8 billion, with Bt3.3 billion allocated for marketing functions and Bt3.5 billion for development and renovations (Travel & Tourism Intelligence 2002, 21). That is about U.S. $156 million, or around U.S. $14.30 per tourist (number of visitors in 2002 used in the calculation). (Crispin 2003, 44-47; Goad & Crispin 1999, 60-62; Travel & Tourism Intelligence 2002, 21)

TAT's new policies of more centralized planning and regulation mark an end to an era where freewheeling entrepreneurs have largely led the development of tourism in Thailand. In the past the lack of regulations has led to some environmental and aesthetic deterioration of many once popular destinations, but now TAT appears to have firmly taken the helm. Naturally, the amount of growth in tourism that has resulted directly from the activities of TAT is difficult to estimate, but it seems to have been quite successful in increasing the international arrivals and creating the "travel-brand" of Thailand. (Crispin 2003, 44-47; Goad & Crispin 1999, 60-62; Travel & Tourism Intelligence 2002, 21)

Some of the current strategic plans and key challenges for TAT include developing the ecotourism sector, raising the regulatory bar and the quality of infrastructure across various areas of the tourism industry, segmenting the existing geographic markets, making Thailand more appealing as a "safe haven" that is suitable for families with children, more effectively tapping the international market for meetings, conventions and exhibitions, positioning itself as a travel hub for the Mekong sub-region, and developing new tourist destinations, particularly in the least visited area of the country, the northeast. (Crispin 2003, 44-47; Goad & Crispin 1999, 60-62; Thailand business profile 2001, 6; Travel & Tourism Intelligence 2002, 21)

Recent government organizational restructuring plans are underway to incorporate TAT within a new Ministry of Sport and Tourism, which would leave TAT with only the marketing and promotional functions while all registration and industry control mechanisms would be transferred to the new

Ministry, thereby leaving all tourism planning activities for the Ministry to handle as well. In preparation for the change The National Tourism Development Office was established in April 2001 to oversee and regulate the industry and handle all policy issues relating to national tourism. (Travel & Tourism Intelligence 2002, 22; Tourism Authority of Thailand 2003, About Tourism Authority of Thailand)

5.2 Seasonality

Figure 7: International Arrivals by Month 2002
Source: Tourism Authority of Thailand 2002

In Thailand the climate is tropical year round, but it can be divided into three distinct seasons: March to May is hot and humid, June to October is hot and rainy, while November to February is not nearly as hot or humid (Cummings & Martin 2001, 28-29). The peak months for tourist arrivals are November through March, with secondary peak months in July and August (Tourism Authority of Thailand 1998-2002). The actual number of visitors each month fluctuates somewhat year by year, for example 2001 saw greater monthly fluctuations than 2002, but the peak months typically remain the same year after year (ibid). Most of the peak months are during the cool season, which is generally considered to be climatically the most pleasant time of the year. Additionally, the holiday seasons of Christmas, New Year and the Chinese New Year are during the winter months and create peaks within the peak months. The second peak time for international visitors is during the northern hemisphere's summer holiday season. The period between May and October is usually considered low season, although controversially it actually includes the secondary peak months of July and August. However, many hoteliers use this period for renovations and staff-training (Travel & Tourism Intelligence 2002, 16).

These findings provide the answer for research question 2: Is seasonality an important factor in Thailand's tourism industry? Seasonality is clearly important, although the monthly fluctuations are much more tolerable than in many other countries: in 2002 the lowest number of monthly arrivals in June was 70% of the highest number of monthly arrivals in December. It is possible to participate in all tourist activities during the low season as well, as Thailand's seasonality does not impose any restrictions on it – other than perhaps not being able to sunbathe quite as much as during the high season. In an effort to curb seasonality and survive through the low seasons, many private operators in Thailand's tourism industry offer discounted rates during the low periods (Cummings & Martin 2001, 79).

A factor reducing seasonality are long-term visitors, expatriates and retirees residing temporarily or permanently in Thailand (Tourism Authority of Thailand 2003, Longstay). The number of these resident aliens in the whole kingdom is around 265,000, around 2.5% of the number of international arrivals annually (National Statistical Office 2001, 62). The resident aliens are predominantly Chinese (81.7%), distantly followed by Indians (2.4%) and the British (2.0%). Two thirds of the resident aliens are male (ibid 66-67).

5.3 Tourist Attraction Factors in Thailand

Tourist attraction factors in Thailand are numerous. According to Economic and Social Commission for Asia and the Pacific (United Nations 2000, 61), recent studies on the source of attraction for potential visitors to Asia and the Pacific generally refer to:

1. Hospitable people
2. Fascinating history and customs
3. Diversity of sites and settings
4. Seaside and undersea adventures
5. Opportunities to learn and participate
6. Evidence of pre-independence administration
7. Mixes of cultural and ethnic groups
8. Cultural performances

In Thailand nearly all of these sources of attraction can be found, with the exception of point 6: Evidence of pre-independence administration, as Thailand has never been colonized. The locals are generally very welcoming and friendly towards tourists, and the attitudes towards tourists could hardly be any better. Thailand is justifiably called *the land of smiles.* The price levels are also very favorable for western or Japanese tourists, as accommodation can be found starting from around U.S. $2 in remote areas or from around U.S. $7 in the most popular resort areas, obviously going up to hundreds of dollars for luxury hotels, such as The Oriental in Bangkok that has been rated as the best hotel in the world (Cummings & Martin 2001, 135-137).

Thailand's attraction base is highly diversified, from historical and cultural sights to seaside and undersea adventures. Thailand has much to offer for travelers in forms of nature from trekking in the north's picturesque mountains to relaxing on one of the many exotic islands in the south; in forms of culture and history from exploring the ruins of ancient cities to visiting remote hill tribes; in forms of arts from traditional handicrafts to contemporary music; in forms of nightlife from the infamous go-go bars to large scale show performances; and in forms of cuisine from northern sticky rice to spicy papaya salad, all accompanied by a tradition of friendliness and hospitality towards strangers. In addition, the ease of travel, economic accommodation and great beaches contribute to Thailand's continued position as the most popular tourist destination in Southeast Asia. (South-East Asia on a shoestring 1999, 676)

The services in the tourist areas are generally speaking excellent, as there often exists an ample supply of tourist services, sometimes even oversupply, as evidenced by the amount of vacant hotel rooms (Lan 1997, 292) and the numbers of travel agents, restaurants, tourist shops, bars and other services aimed mainly at the tourists. Also other services such as large shopping complexes or laundry services are abundant in all large cities. (Tourism Authority of Thailand 2003, Province Guide; Cummings & Martin 2001, 81-96 & 135-144)

Another attraction factor that must be considered when evaluating Thailand is the availability of cheap sex. Thailand still suffers / enjoys the image of a "sexual paradise" that it has been affiliated with since the Vietnam War (1962-75). While sex is a powerful attraction to some groups of visitors, especially before the emergence of AIDS in Thailand in the 1980s, it also acts as a repellent for other groups of tourists, such as women and families. Before the 1990s the Tourism Authority of Thailand did not seem particularly concerned about it, as the tourists that were attracted at least partially by cheap sex were seen as economically more profitable than those repelled away by the existence of sex tourism, but for the past decade or so TAT has officially stated that "sex tourists are no longer welcome in Thailand." It can be noted that while sex still acts as a strong attraction factor for some tourists to visit Thailand, it does not seem to be driving other groups of tourists away, as the numbers of female tourists have been increasing in par with the numbers of male tourists (Tourism Authority of Thailand 1998-2002). Additionally, the image of Thailand no longer seems to have such a strong association with sex as it did before. (Lan 1997, 299-300)

5.3.1 Infrastructure and Transportation

The infrastructure has proved to be something of a bottle-neck in the past, as the development of infrastructure services has not been able to meet the demands of Thailand's fast growing economy. One of the worst aspects of Thai-infrastructure is the traffic congestion and chaos of Bangkok, which prompts many tourists to completely skip Bangkok and rather head directly to other destinations in Thailand. Additionally, the construction of public utilities lags behind general development, but it seems to be catching up rapidly, as evidenced by the success of the U.S. $141 million plan to upgrade Pattaya that included road and drainage construction and extensive waste-water treatment system that has significantly improved the water purity in Pattaya Bay. It is expected that the infrastructure bottlenecks throughout the country will rapidly decrease. (Lan 1997, 298-299 & 301)

The transportation services are excellent (with the exception of intra-city transport in Bangkok). The rail, bus and air travel network is extensive and every place worth visiting is easily accessible. There are a total of 28 commercial airports in Thailand, seven of which are international. Bangkok International Airport, also known as Don Muang Airport, is the main gateway to Thailand and the third busiest airport in Asia with a throughput of nearly 30 million passengers in 2001, serving more than 80 airlines. The construction of new international airport, known as Savanabhumi Airport, was supposed to be completed already, but after several delays the completion date has now been postponed to 2006. Once completed, this new airport will be capable of passing 40 million passengers through annually. Thai Airways International currently flies to 52 international destinations in 33 countries in addition to having a comprehensive flight network around Thailand covering 22 domestic destinations. The only problem is that it is often necessary to fly through Bangkok even when flying just domestically. (Cummings & Martin 2001, 173-186; Travel & Tourism Intelligence 2002, 18)

Perhaps a better option for domestic travel is the extensive and fast bus network that covers the entire country and has frequent departures. There are usually "normal" buses as well as "air-con" buses on all routes and on popular tourist routes there are also privately owned tour buses available. The service in the air-con buses is quite exceptional with free blankets and pillows, drinks, snacks and movies being offered regularly. There are also four main train lines across the country and the rail network covers a total of 4119km. Improving rail links with Malaysia have facilitated increasing passenger traffic between the two countries, and the Eastern & Oriental Express from Bangkok to Singapore through Malaysia, re-launched in 1993, has provided a high profile boost to Thailand's land links with its neighbors. Plans are to extend the railway link all the way to Vietnam and Southern China through Cambodia, thus enabling an overland train journey all the way from Singapore through Malaysia, Thailand, Cambodia and Vietnam to China, where the famous trans-Siberian train can then be boarded to travel through Mongolia and Russia all the way to Europe. (Cummings & Martin 2001, 173-186; Travel & Tourism Intelligence 2002, 18)

Future plans also include building the *East-West Economic Corridor Highway Network* linking Vietnam with Myanmar through Laos and Thailand, but it remains to be seen if this plan will actually ever be implemented. Additionally, several boat and ferry services to offshore islands or along the rivers of Thailand are also operating. Furthermore, car and motorcycle rentals are readily available in all major cities and resorts to independently explore Thailand's extensive road network covering nearly 60,000km (National Statistical Office 2001, 171), and for local transport a wide variety is available from taxis to buses to three-wheeled "tuk-tuks". (Cummings & Martin 2001, 173-186; Travel & Tourism Intelligence 2002, 18)

5.3.2 Thailand's International Travel Image

In June 2000 Rittichainuwat et al. carried out a study on Thailand's International Travel Image with the support of the Tourism Authority of Thailand. This study comprised 510 respondents that were departing from Thailand back to their native countries and assessed their image of Thailand as a travel destination as well as the effect that image had as to how likely they would be to return. The respondents were chosen to represent a true variety of people traveling to Thailand. The pre-positioning of the study was that Thailand is a safe and friendly destination featuring considerable cultural, natural and historical attractions coupled with reasonable prices and great shopping. (Rittichainuwat et al. 2001, 82-95)

The study itself seemed to confirm these assumptions, and the respondents gave high marks to many of Thailand's attributes, such as safety, adventure activities, nightlife entertainment, beautiful architecture and buildings, interesting customs and culture, numerous cultural, natural and historical attractions, good value for money with good shopping, friendly people and easy access. Some attributes were not valued as much as expected in the study, such as pleasant climate that was expected to rate highly. This may be because it is, after all, quite similar to many other Asian countries that constitute Thailand's main source markets for tourism (Tourism Authority of Thailand 1998-2002). However, several attributes – mostly relating to social and environmental problems – also received negative marks from the respondents: Over-crowded cities, a sizeable gap between the rich and the poor, traffic jams, pollution, deterioration of tourist attractions and the numerous massage parlors, go-go bars, night clubs and prostitutes were not appreciated. Overall, despite the negative attributes, almost all of the respondents were satisfied with their trip to Thailand and 80% said they were likely to return. Nearly all of them would recommend Thailand to friends and relatives. (Rittichainuwat et al. 2001, 82-95)

An important finding was also that the *Amazing Thailand* campaigns running from 1998 to 2000 seemed to have successfully captured Thailand's strengths and reinforced the positive images people held of Thailand. Nearly all of the respondents agreed that the reality had reflected the promises given in the campaign. Repeat visitors gave more positive marks than first-time visitors, suggesting that they were already well aware of Thailand's positive attributes and had already known they wanted to return. Repeat visitors rated Thailand higher than first-time visitors on scenic and natural beauty, ease of immigration and access, value for money and suitability for family and children. Rittichainuwat et al. (2001, 88-90) suspect the reason for this to be that "on subsequent visits repeat travelers become aware of Thailand's hidden qualities, which may not be immediately obvious to first time travelers." (Rittichainuwat et al. 2001, 82-95)

There were also significant demographic and geographic differences in the perceived image among the respondents. It turned out that for some reason single and young travelers had a less favorable image of Thailand than married and older travelers in terms of safety and good value for money. Rittichainuwat et al. (2001, 90-93) suspected this to be the result of many young backpackers traveling alone positioning themselves in dangerous areas and dilapidated hotels in a pursuit to save money, at the same time unwittingly causing the feelings of un-safety and poor value upon themselves. On the other hand, young single travelers tended to have a more positive perception about Thailand's adventure activities and scenic natural beauty, which is exactly what TAT has been trying to promote for young people. When it comes to geographic differences, it turned out that other Asians had the least favorable perception of Thailand in terms of safety, culture, good value for money and shopping. Rittichainuwat et al. (2001, 93) suggest that this may be the result of inferior discount tour packages promoted in Asian markets, particularly in China. Undoubtedly, if the hotel is of the lowest quality and full-day shopping complex excursions during the days with outrageously expensive sex-shows at night are the only things provided as a part of the package, the travel image naturally might not be all that positive. However, all in all, the tourists taking part in the study judged Thailand's international travel image mostly favorable. The findings of Rittichainuwat et al. (2001, 82-95) described above provide a partial answer for research question 3: What are the strongest tourist attraction factors in Thailand? (Rittichainuwat et al. 2001, 82-95)

5.4 Tourist Destinations, Travel Regions and Attractions in Thailand

> Thailand boasts a bewildering and contrasting array of attractions for the potential visitor from the ancient cultural elephant trekking trails of Chiang Mai to the hedonistic all night "Full Moon" parties on the southern islands of Koh Pang Gang and Koh Samui. (Travel & Tourism Intelligence 2002, 5)

There are several ways of categorizing various tourist destinations, but a clear and simple, yet useful and informative, categorization comes from Vuoristo (2002, 133-134). He divides tourist destinations in two groups: destinations that have tourism as their main function, and destinations where tourism is not the dominant feature of economy, but rather just one small sector of the economy among many others (ibid). The numerous beach resorts and the old capital of Ayuthaya in Thailand belong to the first category of destinations, while city destinations, such as Bangkok or Chiang Mai, belong to the second category. The attractions found in Thailand are typically based on natural, cultural or recreational resources, while the types of tourism associated with Thailand encompass all five forms of leisure tourism as identified by Smith (1978, 2-3): Ethnic tourism focusing on the hill tribes of the north, cultural tourism with the dance performances and traditional markets selling local produce and handicrafts, historical tourism attracting visitors interested in Thailand's old kingdoms, environmental tourism with jungle treks and other nature-oriented activities, and finally recreational tourism revolving mainly around Thailand's numerous beach resorts.

The National Statistical Office (2001, 208-209) in Thailand has carried out a survey in which tourists were asked what types of places they are interested in visiting. 98.6% of visitors indicated their interest in natural sites divided to beaches (50.9%); mountains, waterfalls and forests (32.9%); and agricultural projects (14.8%). Visitors from ASEAN countries seemed particularly interested in agricultural projects with 35.8% stating interest in them, but visitors from other regions did not show much interest in them. The European visitors were clearly more interested in the beaches (66.6%) and mountains, waterfalls and forests (51%) than others, followed by visitors from Oceania (56.2% and 49.0% respectively). Visitors from the Middle East and Africa also showed considerable interest for beaches (56.1%), while visitors from the Americas and Asia showed somewhat less interest in these locations. (National Statistical Office 2001, 208-209)

Thai cultural, ceremonial and traditional lifestyle settings were of interest to 70% of the visitors, visitors from the Americas being most interested (77.4%) and Asians from outside the ASEAN least interested (64.4%). Historical and Religious sites were of interest to 64.4% of the visitors, with again visitors from the Americas being most interested (74.0%), but this time Asians from the ASEAN were least interested (58.9%) along with visitors from the Middle East and Africa (59.0%). The findings of this study provide a more specific answer to research question 3: What are the strongest tourist attraction factors in Thailand? The results clearly illustrate the importance of natural and cultural attractions. (National Statistical Office 2001, 208-209)

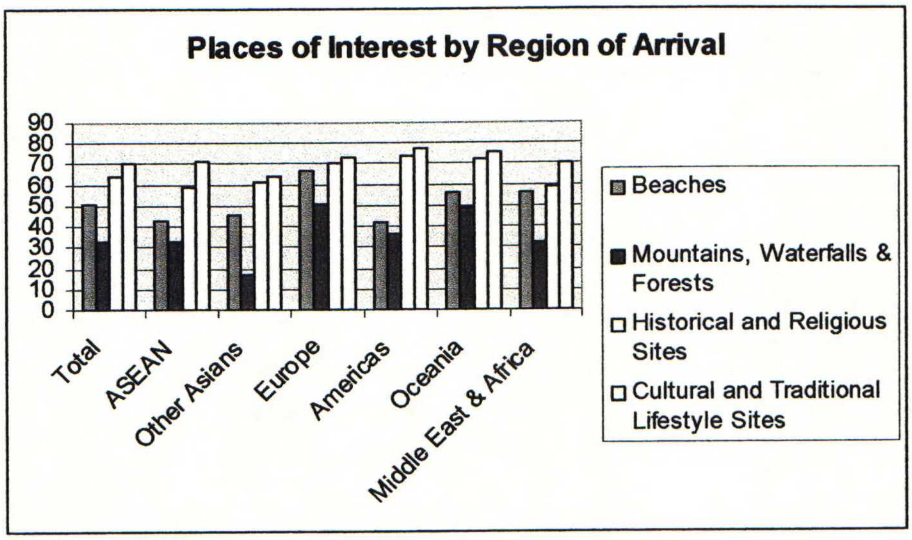

Figure 8: Places of Interest by Region of Arrival

Source: National Statistical Office (2001, 208-209)

Thailand can be logically divided into four distinct regions: Bangkok and Central Thailand, the mountainous Northern Thailand, Northeastern Thailand and finally the most touristic area, Southern Thailand with all its beaches. Each of these different regions differs from the others in terms of population, basic resources, natural features, and level of social and economic development. However, this division is also well applicable to tourism, and therefore it is used in this study as these regions also differ from each other in terms of attractions. (Tourism Authority of Thailand 2003, Province Guide)

Bangkok offers many sights to behold along with a wild nightlife, and within a day-trip distance in Central Thailand numerous other attractions can easily be visited (Cummings & Martin 2001, 187 & 291). Northern Thailand is a mountainous area with an abundance of cultural and natural attractions (ibid, 401), northeastern Thailand is also visited for its culture (ibid, 569) while southern Thailand is known as *the* place for some serious rest and relaxation, although the nature is also quite spectacular in this part of Thailand (ibid, 663 & 758). The map presented in figure 9 illustrates how Thailand is divided into these four distinct regions.

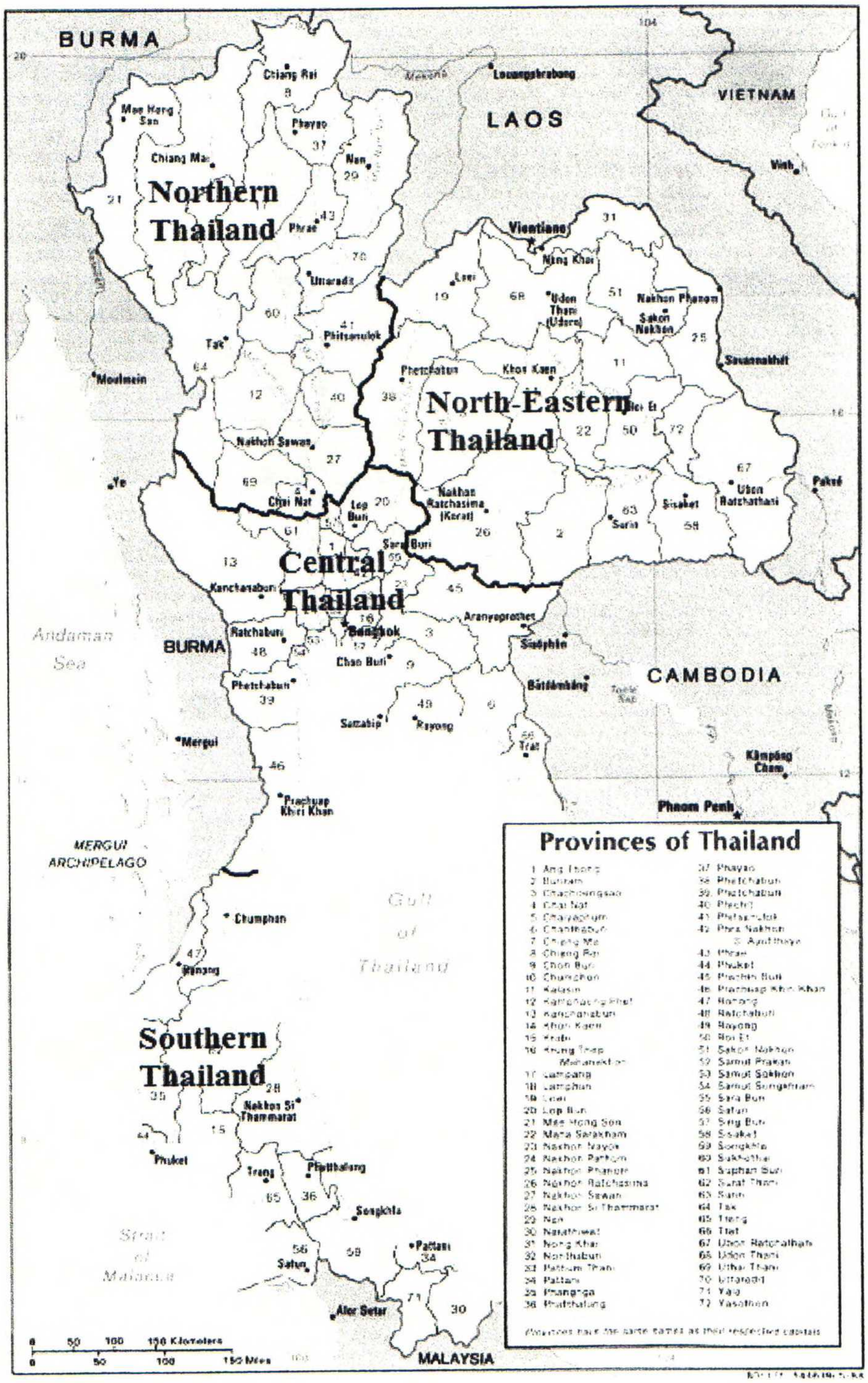

Figure 9: Regions of Thailand

Source: UT Library Online 2003 (modified by the author)

5.4.1 Bangkok and Central Thailand

Central Thailand is made up of 24 provinces from Lopburi in the north to Prachuap Khiri Khan in the south and from Kanchanaburi in the west to Trat in the east (Cummings & Martin 2001, 291). Bangkok is centrally located in the middle of Central Thailand, and as a city destination it appears quite obviously to be a user-oriented destination, indicating that its tourism supply – such as accommodation – has been created to reply for urban tourism demand (Vuoristo 2002, 131-132). The types of tourism associated with the Bangkok region are mainly historical and recreational by nature.

Officially Bangkok became the capital in 1782, and has since grown to be Thailand's spiritual, cultural, political, commercial, educational and diplomatic capital. Bangkok caters to diverse interests, and major tourist attractions include temples such as the Temple of the Emerald Buddha, palaces such as the Grand Palace adjoining the Temple of the Emerald Buddha, a vast river and canal network, museums like the National Museum, show performances like the grand transvestite cabarets, spectator sports like Thai boxing at the Lumpini Stadium, (in)famous nightlife and world class shopping opportunities just to mention a few key attractions. (Tourism Authority of Thailand 2003, Things to See and Do & Province Guide; Cummings & Martin 2001, 187-290)

The ancient cities of Ayuthaya (World Heritage listed), Lopburi and Nakhon Pathom close to Bangkok offer more historical grandeur in temples and palaces; Kanchanaburi with the River Kwai bridge offers some more recent history from World War II as well as pleasant forests and waterfalls, most notably the Erawan waterfall; the beach resorts Hua Hin and Cha-Am offer endless lazing in the sun within close vicinity to Bangkok while Pattaya offers the beach as well as a very lively nightlife. In the central region are many lesser-known attractions as well, such as the somewhat remote Koh Chang National Marine Park in the east and Three Pagodas Pass by the Burmese border.

(Tourism Authority of Thailand 2003, Things to See and Do & Province Guide; Cummings & Martin 2001, 291-400)

5.4.2 Northern Thailand

Northern Thailand is definitely a resource-oriented destination (Vuoristo 2002, 131-132) attracting mainly ethnic, cultural and environmental tourism. It is somewhat remote and virtually all its attractions are based on nature and culture. Northern Thailand attracts quite a different sort of crowd compared to the southern party beaches, and tourism is more low-key with the absence of the rows of luxury hotels, although the northern capital of Chiang Mai – including more than 300 temples and an abundance of fine arts and crafts – still has enough to support the demands of tourists requiring western amenities. (Cummings & Martin 2001, 401-568)

Northern Thailand is the birthplace of the first true Thai Kingdoms, and as a result it is endowed with a wide range of traditional culture and architecture. Northern Thais themselves are very proud of their local customs, considering the northern ways to be the most integral part of Thailand's *original* tradition, culture and cuisine. It is also the home of Thailand's hill tribes, whose cultures are, however, dissolving rapidly in the face of the country's modernization and influx of foreign tourism. Despite this, the scenic beauty of the North has been fairly well preserved, and many tourists indeed visit the north mainly for its rugged mountains, rivers and waterfalls, limestone caves and the forests. This region has more natural forest cover than any other in Thailand, and now that logging is completely banned in all of Thailand this situation will be likely to remain. (Tourism Authority of Thailand 2003, Things to See and Do & Province Guide; Cummings & Martin 2001, 401-568)

Northern Thailand is also a part of the infamous Golden Triangle, a region where Myanmar, Laos and Thailand meet and where a large part of the world's illicit opium is grown, although Thailand itself is today a very minor producer. However, the practice of smoking opium in the evenings still exists among some of the local hill tribes, and some foreign tourists are keen to take part in this "cultural" activity as well while traveling in the north. Some other highlights of Northern Thailand include the World Heritage listed ancient sites of Sukhothai and Si Satchanalai, culturally fascinating cities such as Chiang Rai or Mae Hong Soon and organized treks into the jungles on elephants. (Tourism Authority of Thailand 2003, Things to See and Do & Province Guide; Cummings & Martin 2001, 401-568)

5.4.3 Northeastern Thailand

Northeastern Thailand is the country's least visited area, except for the large numbers of visitors from Laos that are culturally and linguistically quite close to Thais (although many Thais do not want to admit it). However, as a whole less than 2% of the country's international visitors visit this part of Thailand (National Statistical Office 2001, 160; Cummings & Martin 2001, 569). Perhaps partly for this reason, and partly due to the region's general non-development, the older Thai-customs seem to remain more intact here than elsewhere, although they have more Lao and Khmer influences as well (Cummings & Martin 2001, 569-571). Tourism in this region is mainly cultural and historical tourism.

The gateway to this region for most tourists is Nakhon Ratchasima, also known as Khorat by the locals. There are numerous historical and archeological attractions in the region, such as the beautiful Angkor-period Khmer ruins of Phanom Rung and Prasat Hin Phimai, or Ban Chiang and Ban Prasar archeological sites revealing insights to civilizations as old as 5000 years. There is also the beautiful national park of Khao Yai. This part of Thailand, "I-San" as it is known among the Thais, is an interesting backcountry suitable for rural tourism where traditional industries such as cotton and silk weaving are still practiced and people are less affected by the pressures of modernization and globalization. It would make a suitable retreat for tourists escaping the stressful modern society. (Tourism Authority of Thailand 2003, Things to See and Do & Province Guide; Cummings & Martin 2001, 569-662)

5.4.4 Southern Thailand

Southern Thailand comprises the Andaman Coast on the west and the Southern Gulf of Thailand on the east. Both coastal strips and the outlying islands are renowned for their beaches, limestone cliffs, great diving and of course the vivid nightlife concentrated in some areas, and the tourism in the south seems to be focused on the environment and recreation. Both sides of the peninsula are rather similar in character, and if a visitor has no preference weather is a good reason to choose the side, as the Andaman Coast often gets more rain from May through October and the Southern Gulf is its rainiest in October and November. The scenery on the Gulf is not quite as dramatic as it is on the Andaman Coast, but as the Gulf has more coconut groves scattered along the coast and islands it perhaps conjures an image of a tropical paradise better than the Andaman Coast. The most famous beach resort destinations in Southern Thailand are Phuket on the Andaman Coast and Koh Samui in the Southern Gulf of Thailand. Somewhat quieter neighboring islands such as Koh Phi Phi and Koh Pha-Ngan are also popular. (Tourism Authority of Thailand 2003, Things to See and Do & Province Guide; Cummings & Martin 2001, 663-843)

Thailand has several examples of beach resort areas that have developed in the manner outlined in chapter 3.6 Typical Structure of Beach Resorts, such as Koh Samui and its Chaweng beach, Phuket and its Patong beach, and Pattaya, Thailand's oldest and largest beach resort that has developed into a regular city over the years with several other economic sectors aside from the tourism industry (Cummings & Martin 2001, 771-791; 681-693 & 334-345). As illustrated in Figure 10: Map of Pattaya, the development of this resort city seems to have followed the general theory (Pearce 1995, 137) with a prominent beach road parallel to the beach that most hotels and tourist services are located on.

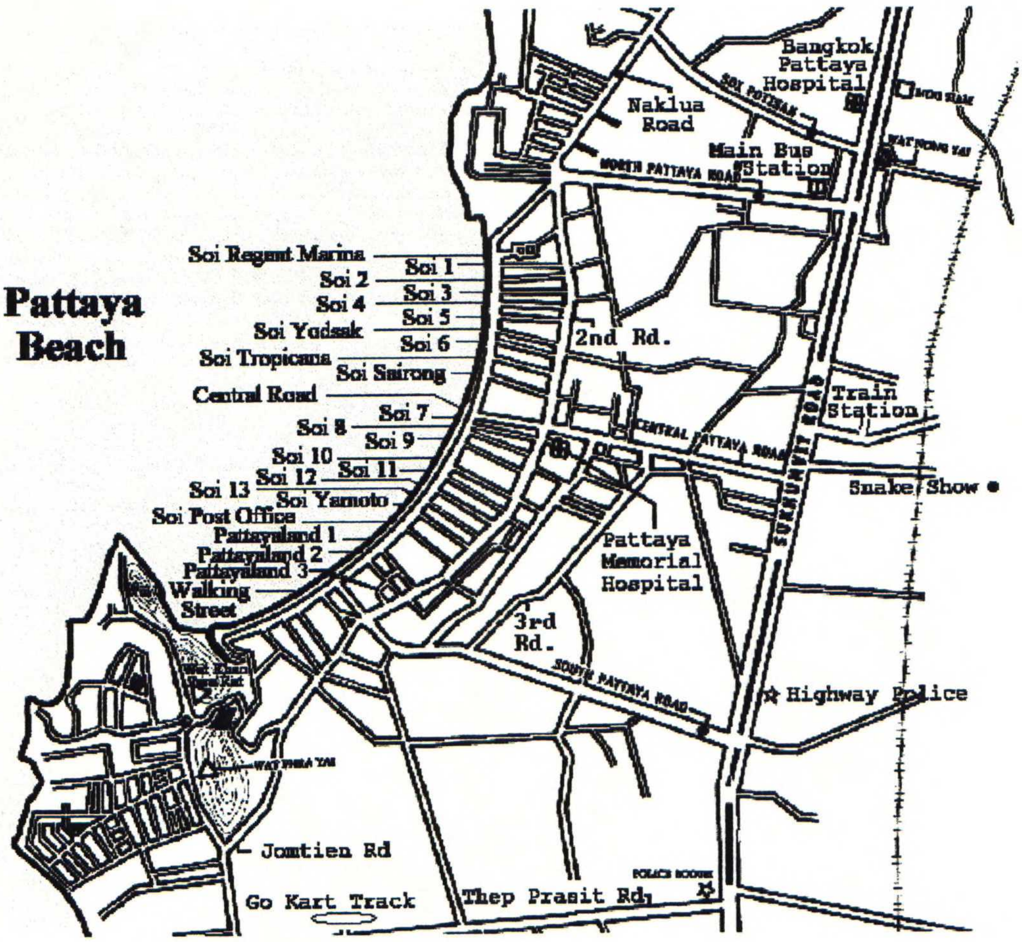

Figure 10: Map of Pattaya

Source: Pattayacity.com 2002 (modified by the author)

5.5 Thailand on Plog's Psychographic Continuum

Vuoristo (2002, 47) has used Plog's model (see chapter 3.7.3 Psychographic Classification by Plog) to evaluate the appropriate placement of different geographic areas on Plog's continuum. Thailand is not shown on Vuoristo's graph on its own, but Southeast Asia as a whole has been categorized as a destination for demi-allocentrics, very close to full allocentrics. However, in my opinion Thailand, together with Malaysia, Singapore and Hong Kong, can be considered as one of the more psychocentric destinations in Southeast Asia, even from a European perspective. Considering Thailand's long traditions in tourism, and the fact that most visitors from other East and Southeast Asian countries are probably closer to psychocentrics anyway, it is clear that Thailand has a lot of psychocentric appeal as well. Good examples of Thailand's psychocentric destinations are Pattaya, Thailand's oldest and largest beach resort, and Phuket that receives numerous European charter flights every week. Fortunately there are still several relatively undeveloped destinations for the allocentrics as well, such as Koh Chang close to the Cambodian border or Mae Sot near the Burmese border. Only time will tell if these remote areas will start to attract mass tourism as well at some point. (Cummings & Martin 2001, 334-345; 681-693; 363-373; 497-504)

5.6 International Tourist Arrivals

Nearly 11 million international tourists arrived in Thailand in 2002, an increase of 7.3% on 2001, representing a slight increase in growth rate from the previous year, but a significant decline from the double-digit growth rates sustained in 1999 and 2000 (Tourism Authority of Thailand 1998-2002). A vast majority of visitors (84%) arrive to Thailand by air, with 14% arriving by land and just 2% by sea. The notable exceptions to this trend are visitors from the neighboring ASEAN countries, most notably from Malaysia and Laos, from where the vast majority of visitors arrive by land. Thailand is the number one destination for the residents of all neighboring countries, and the top Asian destination for at least France, Germany, Italy and Switzerland (World Tourism Organization 1998a, 157 & 161-163 & 166). (Tourism Authority of Thailand 1998-2002)

This chapter will now proceed with the socio-demographic profiling of foreign tourist arrivals as discussed in chapter 3.7.1 Indicators of Tourist Groups by Vuoristo, and tries to identify any trends in the socio-demographic attributes before moving on to the only geographical indicator that the material provides for, the country of origin. In the last sub-chapter 5.6.3 the purpose of visit will be evaluated. The statistical data provided on arrivals by the Tourism Authority of Thailand (1998-2002) unfortunately only presents each indicator in conjunction with the country of origin, thereby making it impossible to carry out any cross evaluations, such as the proportion of retired (~ the oldest age group) men or revisiting tourists on a group tour.

Fitting for Thailand's infamous reputation as a sex destination, the number of male visitors indeed seems to be much higher than female tourists, and males account for around 60% of visitors. However, in recent years (1998-2002), with the exception of 2001, the numbers of female visitors have been growing proportionately more rapidly than male visitors, although the numbers of both have been growing significantly every year – males by around 6-10% annually, females by around 9-13% annually. Although the number of female visitors should grow faster still in order to reach more rapid absolute growth than that of the male visitors, a clear trend can be identified towards more equal number of visitors of both sexes. However, currently male visitors still dominate from every region of the world with no major variations between the regions. The most likely reason for the male dominance is in fact Thailand's sex appeal. Other reasons for the difference between male and female visitors could also be considered, such as the proportion of males and females among business visitors, but even if all the business visitors were male the difference would still be significant. (Tourism Authority of Thailand 1998-2002; Appendix A: International Tourist Arrivals by Sex 2002)

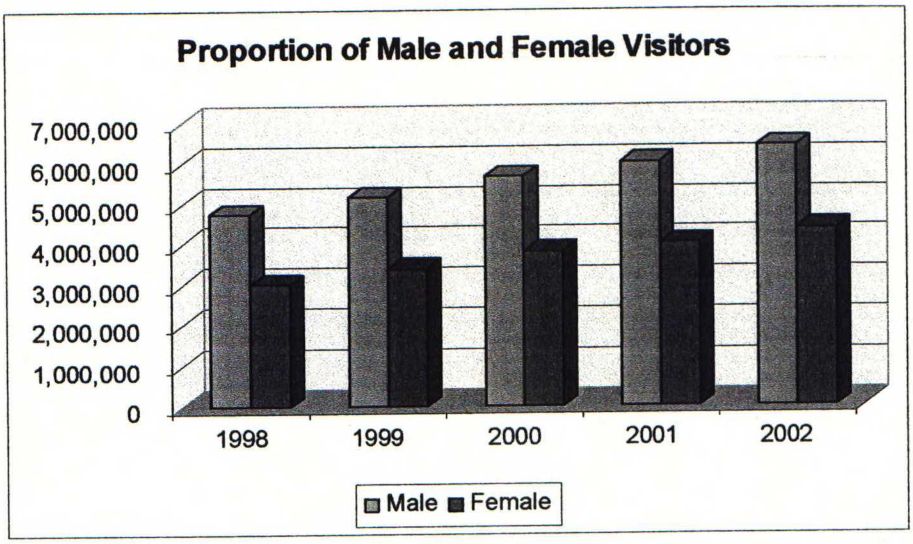

Figure 11: Proportion of Male and Female Visitors 1998-2002
Source: Tourism Authority of Thailand 1998-2002

The current, more proportionally rapid, growth of female visitors might be expected to be a result of more young people with motivators differing from those of the older generation visiting Thailand, but in fact the statistics show that the segment of visitors aged 55-64 increased most rapidly (+14.7%) in 2002 and the segment of visitors aged 65 and over (+16.8%) in 1999. However, in 2000 it was the segment aged 15-24 that grew the most, by 15.3%. It seems that no clear trend indicating the increase or decrease of any given age segment can be drawn, except that people of all ages seem to be visiting Thailand more and more. Overall the majority of visitors are aged 25 to 44, covering about half the total number of visitors. If the upper limit is extended to 54 this group covers around 70% of all visitors. The two smallest age segments are under 15 and over 64, each with roughly 4.5% share of the total. (Tourism Authority of Thailand 1998-2002)

Statistics from the Tourism Authority of Thailand (1998-2002) reveal that the proportion of visitors on their first visit has been constantly growing faster than the proportion of re-visitors, aside from 2001, an exceptional year in many perspectives. Although the numbers of visitors on their first visit are just slightly higher than the numbers of re-visitors, it demonstrates Thailand's ability to continuously attract new visitors. However, as the numbers of re-visitors are also in constant growth it demonstrates the vitality of Thailand's tourism potential and its ability to leave visitors eager to return. As word-of-mouth is arguably the most effective marketing tool, Thailand can be seen very successful in leaving tourists eager to return and willing to spread the good word to others, who will then arrive for the first time to experience it for themselves. Most people arrive independently, but a surprisingly large proportion of people (46.4% in 2002) are on a group tour and their proportion seems to be increasing. (Tourism Authority of Thailand 1998-2002)

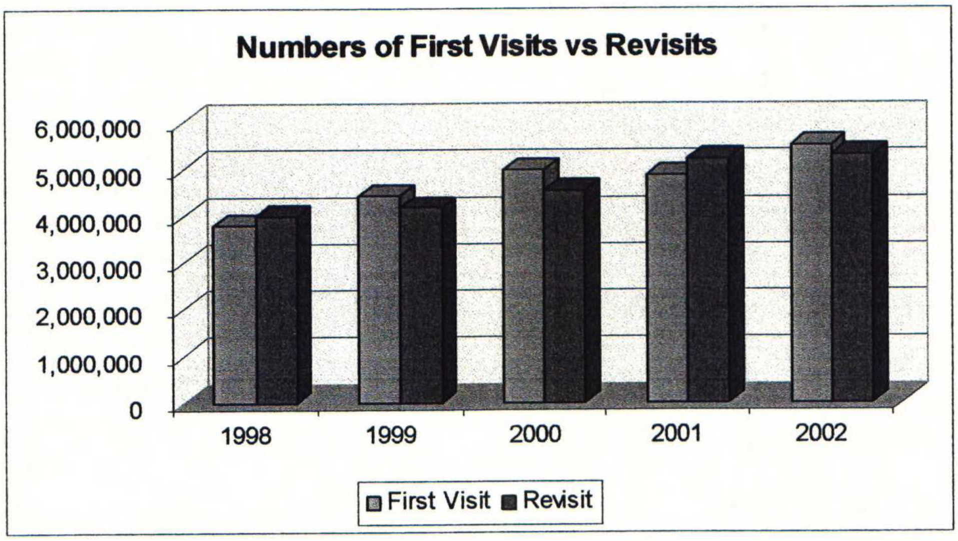

Figure 12: Numbers of First Visits vs. Revisits 1998-2002
Source: Tourism Authority of Thailand 1998-2002

Figure 13: Group Tour vs. Non-Group Visitors 1998-2002

Source: Tourism Authority of Thailand 1998-2002

The findings made in this chapter provide a partial answer to research questions 4 and 5: What is the profile of visitors to Thailand? Is the visitor growth equally fast among all visitor groups from all regions? Dominant features in Thailand's visitor profile appear to be male gender, first-time visitor and non-group travel arrangement. Growth among different visitor groups is *not* equally fast as illustrated above, although the differences are not highly significant. The proportional growth of female visitors is faster than the growth of male visitors; the growth of first-time visitors is greater than re-visitors; and the growth of group tour visitors is faster than non-group visitors. (Tourism Authority of Thailand 1998-2002)

5.6.1 Geographical Segmentation

The only geographical indicator used in this study is the country of residence. It is important to note that many residents of a given country may not be its nationals, as is the case with Singapore or Hong Kong for example. By far the largest numbers of visitors arrive from other East and Southeast Asian countries (more than 60%), most notably from Japan and the bordering Malaysia, each responsible for more than 11% of the total amount of visitors. South Korea, Taiwan, China, Singapore and Hong Kong are following with around 5-7% of the visitors each. (Tourism Authority of Thailand 1998-2002; Appendix B: International Tourist Arrivals by Country of Residence 2002)

Visitor growth from Taiwan and China has been the most rapid over the last few years, although in 2001 the amount of Chinese visitors slightly declined. Visitor growth from the important source markets of Hong Kong and Japan also slowed down somewhat in 2001. During 1998 and 1999 China seemed to be Thailand's most potential source of increased tourism in Asia, but the rapid growth (29-36% annually) was at least partially based on extremely cheap packages – as low as U.S. $8 per day – that left most visitors from China stranded in the cheapest hotels in Bangkok, and concerns of declining travel image were raised by TAT (Goad & Crispin 1999, 60-62). Now TAT is imposing a minimum tour price of U.S. $18 per day on tour operators, which acted to somewhat curb the Chinese demand (ibid). (Tourism Authority of Thailand 1998-2002)

Nearly a quarter of all visitors arrive from Europe, with the United Kingdom and Germany leading with 5% and 4% respectively. However, British *nationals* account for around 6.5% of all visitors to Thailand. Visitor growth from Europe has been significant for many years and was further bolstered by the depreciation of the baht in 1997. After a slow year in 2001 the growth from Europe jumped up enormously in 2002. Other countries well represented in Thailand's tourist arrivals are the United States (around 5%) and Australia (around 3.5%). (Tourism Authority of Thailand 1998-2002; Appendix B: International Tourist Arrivals by Country of Residence 2002)

Overall, tourism in Thailand has been experiencing a very strong growth from all regions of the world in the period from 1997 to 2002. Visitors from East Asia, accounting for the largest share of arrivals in Thailand, did not manage to grow their numbers proportionately quite as rapidly as visitors from Europe, Thailand's second largest source of inbound tourism. Obviously it is more difficult to reach high percentage growth from a high starting point, but additionally the majority of key Western European source markets, namely the United Kingdom, Germany and France, have been enjoying relative economic prosperity during the period, while most Asian economies were damaged by the general economic crisis that begun in 1997. However, the most spectacular increases in visitor arrivals have been made from the regions with lower starting points, particularly the Middle East, Africa and Americas. The table below will illustrate international arrivals in Thailand (in thousands) 1997-2002 by regions. These findings complete the answer for research question 5: Is the visitor growth equally fast among all visitor groups from all regions? The visitor growth from different regions shows in fact massive variations, as the growth from the Middle East has been nearly three times faster than the growth from East Asia. (Tourism Authority of Thailand 1998-2002; Travel & Tourism Intelligence 2002, 10)

Table 2: International arrivals (in thousands) 1997-2002 by region

Region	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**% arrivals**	**Δ%**
East Asia	4569	4583	5196	5546	6064	6236	57	36
Europe	1586	1889	1990	2302	2305	2651	24	67
Americas	388	449	515	663	604	730	7	88
South Asia	230	259	280	352	333	410	4	78
Oceania	271	348	351	379	428	427	4	56
Middle East	126	165	175	182	237	246	2	95
Africa	51	72	73	84	91	98	1	92
Overseas Thai	73	78	71	70	71	74	1	1
Total	**7294**	**7843**	**8651**	**9579**	**10133**	**10873**	**100**	**49**

Source: Tourism Authority of Thailand 1998-2002; Travel & Tourism Intelligence (2002, 9)

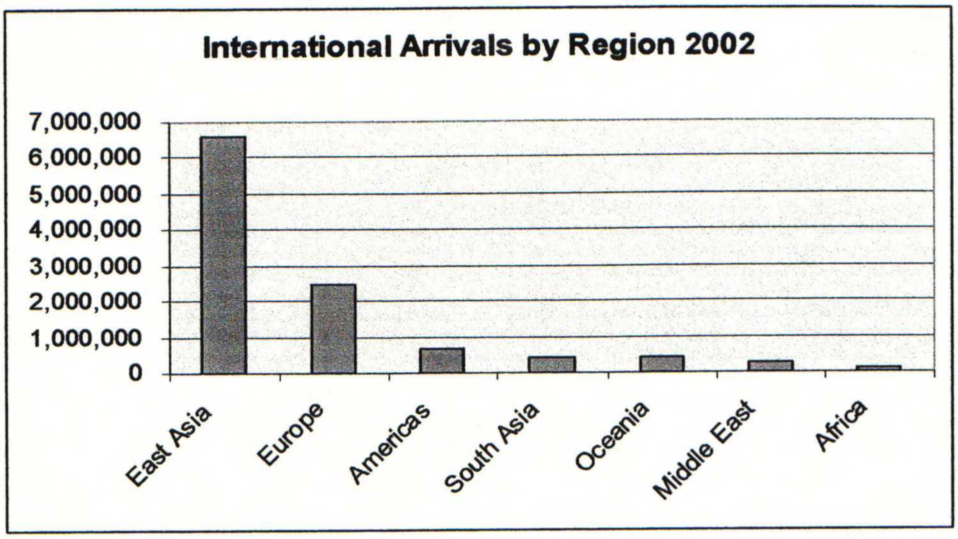

Figure 14: International Arrivals by Region 2002

Source: Tourism Authority of Thailand (2002)

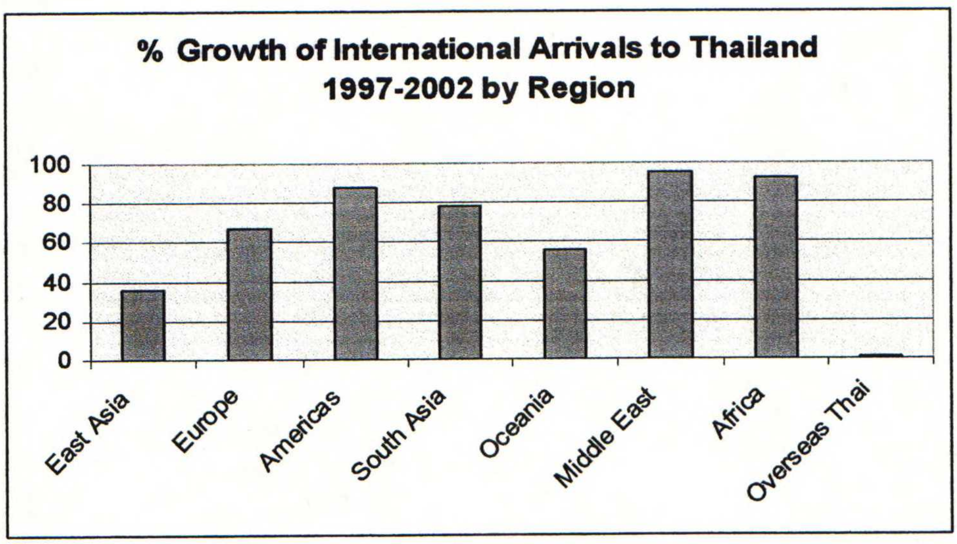

Figure 15: % Growth of International Arrivals 1997-2002 by Region

Source: Tourism Authority of Thailand (1998-2002);

Travel & Tourism (2002, 9)

The findings made in this chapter also provide more information for answering research question 4: What is the profile of visitors to Thailand? Majority of visitors to Thailand appear to be psychocentric visitors from other East and Southeast Asian countries, followed by more allocentric European visitors.

Although only the numbers of visitors are examined, it seems logical that visitors from East and Southeast Asian countries would be psychocentric as they are traveling to a country in the same region that is undoubtedly more familiar culturally and otherwise than a far-away destination in Europe or the Americas. Additionally, many Asians prefer group travel and often buy their holiday as a group package and stay in large-scale hotels. Europeans, on the other hand, are traveling to a geographically and culturally distant destination in search of a more exotic holiday destination. Additionally, a vast majority of the backpackers (explorers) in Thailand appear to be westerners who pay less attention to modern amenities. (see chapter 3.7.3 Psychographic Classification by Plog for more detailed description on allocentrics and psychocentrics)

5.6.2 Arrivals of Finnish Tourists

As this study is conducted in Finland, a special focus will be given to Finnish tourists in Thailand. Their numbers have been steadily increasing, somewhat faster than most other tourist nationalities on average. Finnish tourists account for less than one percent of all visitors, but their numbers are growing. In 1998 just over 43,000 Finns arrived in Thailand, and in 2002 Thailand already saw nearly 67,000 Finnish arrivals. If the same average rate of growth continues there will be 100,000 Finnish arrivals in 2007. The vast majority of Finnish tourists enter Thailand by air, but each year some 3-5% arrive by land or sea as well. Finnish tourists on average stay just under two weeks, like most other European visitors. This is longer than the average, which is easily explained by the long distance that people have to travel from Finland and Europe in general. The demographics of Finnish visitors do not show major variations from the demographics of all visitors discussed earlier in chapter 5.6 International Tourist Arrivals, although the number of Finnish female visitors compared to male visitors is somewhat higher than the average. (Tourism Authority of Thailand 1998-2002)

Figure 16: Finnish Arrivals 1997-2002

Source: Tourism Authority of Thailand 1998-2002

5.6.3 Purpose of Visit

The information on purpose of visit to Thailand is collected from everyone entering the kingdom via a form that is filled out by the traveler and then collected in conjunction with the border formalities. The different purposes of visit are classified into holiday, business, convention, official and others (Tourism Authority of Thailand 1998-2002). Unfortunately, these categories are a bit limiting in terms of tourism research, since the vast majority of travelers are traveling for holiday purposes (89%) but the reasons for taking a holiday in Thailand, which would be very useful information for the purposes of this study, are not declared. In order to get a better idea of why people choose to travel to Thailand, I will try to combine the list that TAT collects with the list of motivators presented by McIntosh & Goeldner (1984, 171-172). Unfortunately, it is not a straightforward process as the two lists are not exactly comparable. However, I will make an attempt to combine the two systems of classification and thus make the information more useful for this study.

Holiday travelers can be motivated by the whole range of reasons presented by McIntosh & Goeldner (1984, 171-172), but most of them would have physical, cultural or interpersonal reasons. Travelers who mark business or convention as their purpose of visit are most likely motivated by status or prestige, forming the only clear-cut group of visitors in terms of motivators. Convention travelers could really fall under any category depending on the type of convention, but I believe the majority of them would fall under status or prestige and interpersonal motivators, as conventions typically are aimed for professionals in a given field of work and personal contacts are often considered extremely valuable. Other purposes of visit are probably mainly interpersonal and physical by nature. This study is mainly interested in holiday travelers, but as combining business with pleasure is not unheard of, I believe that people with other purposes of visit are also justifiably worth including in this study on tourism.

A whopping 89% of visitors in 2002 identified *holiday* as their purpose of visit. The number of holiday travelers has been increasing on average by 10% annually, with the exception of 2001 when it only rose 6% due to September 11th terrorist strike. However, the growth in holiday travelers in 2002 was up by more than 9% again, indicating clearly a continuous growing trend. Business travelers represent the next largest segment of incoming visitors for Thailand with a share of 8% in 2002. In absolute terms Japan is the largest source of business arrivals, followed by Singapore, Malaysia and the USA. Business travel has increased by 17% from 1998 to 2002 while during the same period holiday travel has increased 41%. Business travel was actually experiencing much higher growth until 2002 when the number of business travelers suddenly fell by more than 7%, probably in response to terrorist threat on top of several economically difficult years. It remains to be seen if their numbers will bounce back up in 2003, but at the moment the trend seems to be downward. (Tourism Authority of Thailand 1998-2002; Appendix C: International Tourist Arrivals by Purpose of Visit 2002)

Convention arrivals have sustained dynamic growth, albeit from a low starting point. The number of convention visitors has been increasing quite rapidly in accordance with the plans of the Tourism Authority of Thailand (Thailand Business Profile 2001, 6) and now stands at just over 1% of total arrivals with more than 100,000 convention arrivals in 2002, up from only 65,760 in 1998 (62% growth 1998-2002). This section of incoming visitors represents the most rapidly increasing segment of international visitors, and adding to this growth are a number of new purpose built exhibition centers such as the Bangkok International Trade and Exhibition Centre, the Queen Sirikit National Convention Centre and finally the 61,000 capacity Impact Exhibition Centre. This enables TAT to more effectively promote Thailand for the conference market, and the publicity boost from hosting the APEC summit in 2003 will undoubtedly attract more international conventions and exhibitions to Thailand. This market segment is considered very valuable for Thailand's tourism economy, as an average conference visitor spends U.S. $246 dollars per day, more than 2.5 times the amount spent by the average tourist. (Tourism Authority of Thailand 1998-2002; Travel & Tourism Intelligence 2002, 14-16; Appendix C: International Tourist Arrivals by Purpose of Visit 2002)

The numbers of official visitors are limited (37,200 / 0.38% in 2002), and partly for that reason the figures appear to have been bouncing up and down over the last few years, as small changes appear large when compared to a very low starting point, indicating no trends what-so-ever. Other visitors have been slowly increasing and now account for nearly 2% of the total amount of visitors. (Tourism Authority of Thailand 1998-2002; Appendix C: International Tourist Arrivals by Purpose of Visit 2002)

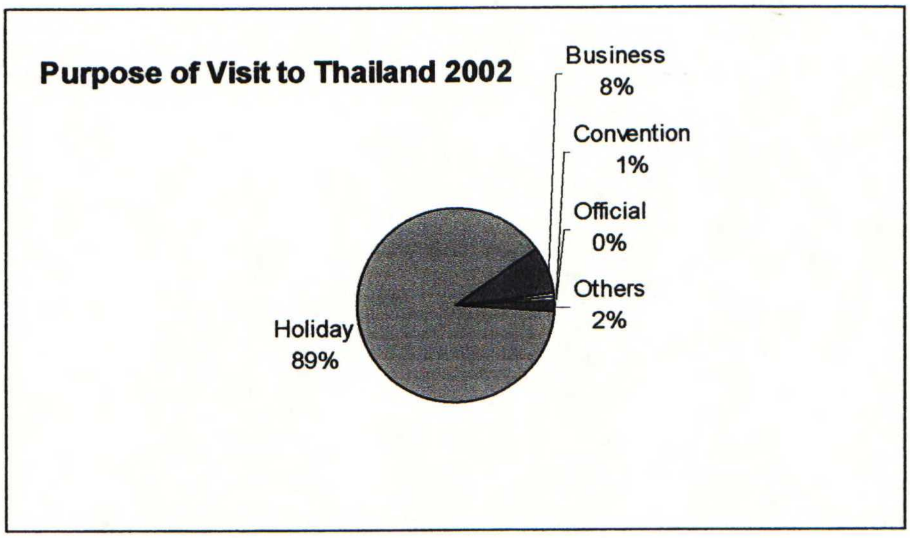

Figure 17: Purpose of Visit to Thailand 2002

Source: Tourism Authority of Thailand 2002

5.7 Money and Time Spent in the Kingdom

In 2002 Thailand saw some 10.9 million tourist arrivals (Tourism Authority of Thailand 2002) generating some U.S. $7.7 billion in foreign exchange (Crispin 2003, 44-47). A quick calculation reveals that each tourist spent slightly over U.S. $700 during his or her visit to Thailand. Given that the average length of stay has been around 8 days for the past years (Tourism Authority of Thailand 1998-2002), it can be calculated that each tourist on average spends just under U.S. $90 per day. In Thai bahts the official figure for average tourist spending per day was 3747Bt per day in 2001, a drop of 6.3% from the previous year, reflecting the general global economic downturn (Travel & Tourism Intelligence 2002, 7). In any case, this amount is quite notable given the large number of tourists who spend very little, i.e. the backpackers (Finpro 2002, 19), and the abundance of cheap accommodation (Cummings & Martin 2001, 135-137). However, it is still around 30% less than the average tourist spends in Malaysia and Singapore per day and this is something that TAT would like to see changed by attempting to move Thailand up the value-added ladder to gain more from each arriving tourist (Crispin 2003, 44-47). However, if prices start increasing in Thailand it might also act to curb its popularity, as right now an important part of Thailand's appeal are its cheap prices (Rittichainuwat 2001, 88-90). Additionally, it is important to remember that a large part of the total amount is spent on expensive single-payment items such as plane tickets, organized tours and hotel packages.

If the visitor expenditure is broken down, using figures from 2001 statistics, we find that accommodation takes 24% of the total expenditure, less than in many other countries. Food and beverages account for 15%, shopping 35%, sightseeing 4% and local transport 7% of visitors' budgets. Role of entertainment is also prominent with 11% share of expenditure, while the remaining 4% are wasted on other miscellaneous things. (Travel & Tourism Intelligence 2002, 7)

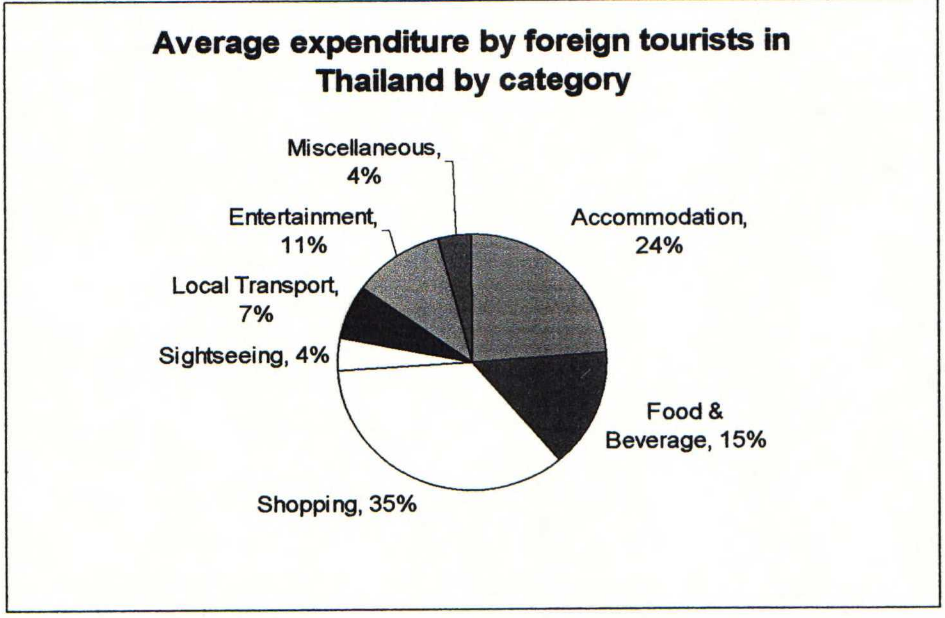

Figure 18: Average Expenditure by Foreign Tourists in Thailand by Category
Source: Travel & Tourism Intelligence (2002, 7)

Unfortunately, data on spending has not been categorized by nationality, so no conclusions can be made on how "profitable" tourists from different countries are. However, we do know that the convention tourist market is the most profitable segment, as the typical convention visitor spends U.S. $246 on average, more than 2.5 times the amount spent by the average visitors (Travel & Tourism Intelligence 2002, 15).

The average length of stay is fortunately available by nationality. From the statistics it can be noted that European tourists usually stay the longest, just under two weeks (13.1 days) on average. Visitors from the Middle East, Americas and Australia follow with stays of around one and half weeks each. The shortest visits come from other East and Southeast Asian countries with the average length of stay being only 5.3 days, with the exception of neighboring Laos that produces tourists who also stay for nearly two weeks on average. The average lengths of stay seem to remain fairly constant year after year, except for the sharp drop in the average length of stay for visitors from South Asia, who seem to have cut nearly half off their Thai holidays since 1998. (Tourism Authority of Thailand 1998-2002; Appendix D: Average Length of Stay of International Tourist Arrivals 2002)

5.8 Hotel and Guesthouse Locations and Usage

This section of the study examines the stated nights spent at various accommodations. While the focus is on foreigners, it is actually the Thais who use the hotels and guesthouses the most, except in Bangkok and the Southern Region (National Statistical Office 2001, 160). It is actually Thais that travel more in Thailand than foreign tourists, and an estimated 40 million Thais per year are now taking domestic leisure trips (Cummings & Martin 2001, 42).

Thailand experienced a strong economic boom in the early and mid-1990s that also had an impact on the travel sector. The boom resulted in a steady build-up of hotels, which has led to oversupply in many areas. According to a 2001 study on three-star and above hotels in Thailand by a consulting company

Deloitte & Touch, it was found that in Bangkok the occupancy rate has been a steady 70%, while in one of Thailand's favorite resorts, Phuket, the occupancy rate dropped 11% to 69% in 2001. In Bangkok the average room rate for three-star and above establishments was U.S. $61 and in Phuket U.S. $100 per night. Many of Thailand's four- and five-star hotels outside of Bangkok have had to reduce room rates since the terrorist strike on September 11th 2001. (Travel & Tourism Intelligence 2002, 19)

Most international visitors (83.8%) stay in hotels during their visit to Thailand, but guesthouses and resorts (including resort bungalows) are also popular, with 15.5% of visitors reporting that they have stayed in guesthouses and 14.8% reporting that they have stayed in resorts or bungalows. Low-price guesthouses appeal especially to visitors from Europe (24.7% of visitors) and the Middle East and Africa (24.0% of visitors). Visitors from Oceania (20.2%) and the Americas (19.9%) also frequent guesthouses, but visitors from Asia, particularly ASEAN visitors, rarely use these facilities. The popularity of resort-style accommodation appears to follow the same patterns as guesthouse accommodation, being popular among (often wealthier) visitors from Europe (28.7% of visitors) and Oceania (28.5% of visitors), while visitors from the Americas (23.7%), Middle East and Africa (20.2%) also use this type of accommodation. Among Asians, however, resorts and bungalows are even more rarely used than guesthouses. Around 5.9% of international visitors stay at the house of friends or relatives, while the remaining 1.8% have some other means of accommodating themselves. Interestingly enough, visitors from the Americas seem to most often have friends or relatives they can stay with (7.8% of visitors). (National Statistical Office 2001, 208-209)

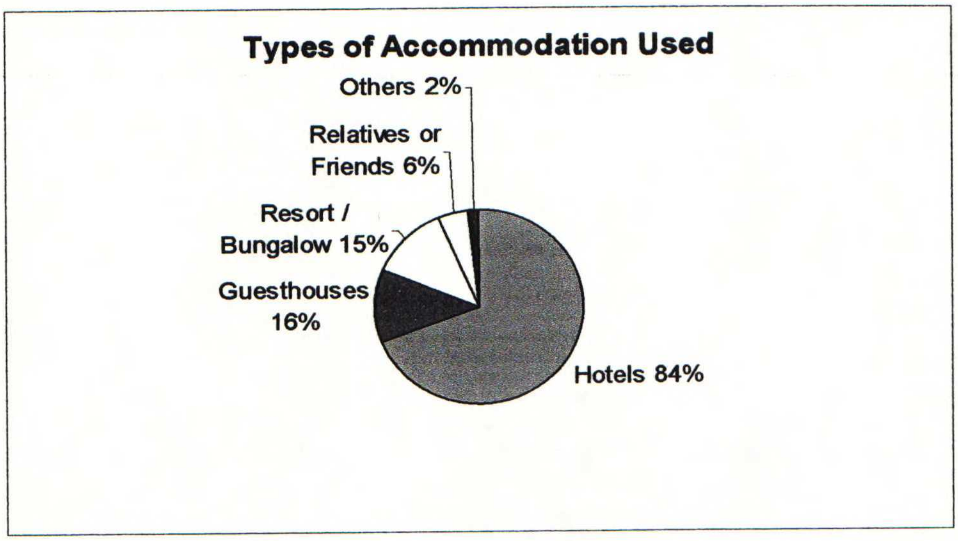

Figure 19: Types of Accommodation Used (1999)
Source: National Statistical Office (2001, 208-209)

In 1999 there were 2,540 registered hotels and guesthouses in Thailand with a total of 178,354 rooms for accommodation. Bangkok has the greatest number of large hotels with more than 150 rooms, but a vast majority (67.5%) of Thailand's hotels and guesthouses are relatively small with less than 60 rooms. In 1999 more than 37 million persons checked in at these facilities, out of which more than 19 million were foreigners. Bangkok's hotels and guesthouses receive by far the most foreign visitors in Thailand (more than 10 million check in annually), as it is Bangkok where most people arrive to and depart from, although on average tourists only stay in Bangkok for one and a half days (Goad & Crispin 1999, 60-62). For tourists this is just enough to see the key attractions before continuing on to other parts of the country. (National Statistical Office 2001, 160-161)

After Bangkok it is, unsurprisingly, the hotels and guesthouses of the southern region that receive the most foreign visitors (4.2 million in 1999) in search of the sun, the sea and the sand. Central and northern regions that offer more in terms of culture, history and nature also receive a fair number of foreign visitors (2.7 and 2.0 million foreigners respectively in 1999 checked in to the hotels and guesthouses of these regions), although it is the Thais that are the heaviest users of hotels and guesthouses in these areas. The hotels and guesthouses of the northeastern region only reported 0.1 million foreigners checking in, clearly indicating the relative lack of foreign tourism in this region. (National Statistical Office 2001, 160-161)

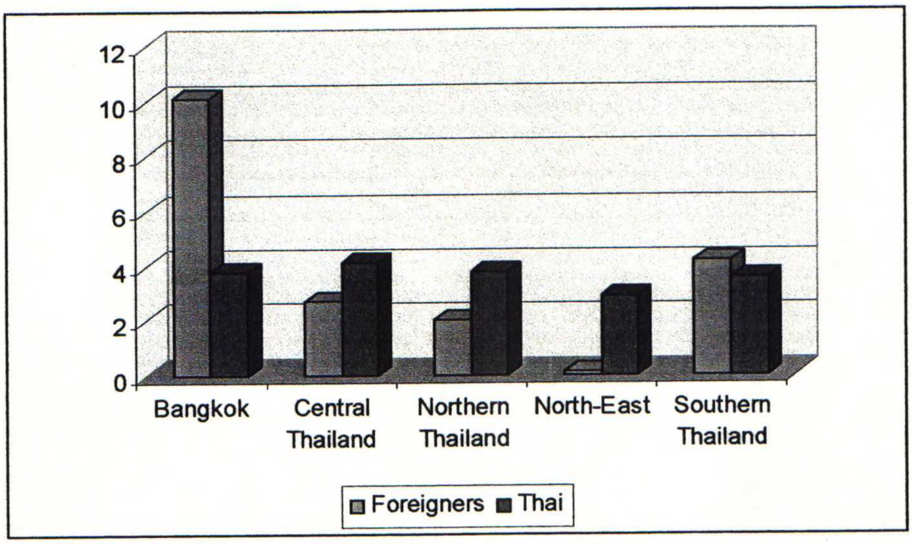

Figure 20: Number of People (in millions) Registered at Hotels and Guesthouses in Thailand by Region (1999)

Source: National Statistical Office (2001, 160-161)

6 SOCIO-ECONOMIC IMPACTS OF TOURISM

Tourism has many ways of influencing the host society, and the impacts of tourism can be felt in several sectors of the economy and the society simultaneously. Different types of impacts can influence host societies in a multitude of distinct ways depending on the type of tourism along with the expectations and attitudes of tourists, tourism operators and the host society, and the ability of the host society to provide the facilities and activities required by the tourists (Smith 1978, 4). The impacts of tourism may range from highly positive and beneficial to highly negative and disruptive (ibid). In this chapter I will describe the socio-economic impacts of tourism in Thailand starting with the economic impacts and then moving on to social impacts.

6.1 Economic Impacts

Clearly, in the case of Thailand, the economic benefits are very remarkable, as the amount of international tourism receipts rank among the highest 5% of the world (World Tourism Organization 1998a, 134) and typically cover around 6% of Thailand's GDP (Crispin 2003, 44-47). Also the effort the Thai government is exercising to reap ever-higher tourism revenues reveals just how important the tourism industry is for Thailand (Travel & Tourism Intelligence 2002, 5).

6.1.1 Stage of Tourism

In Thailand both stages of development, developmental and operational, can be found. In a country like Thailand, which has experienced some of the fastest growth in the tourism sector in the world over the past few decades, many resort areas are already at a fully operational stage, while some have even slumped to stagnation or decline (i.e. Pattaya). However, in many of the more remote areas of the country, especially in the less-traveled northeast, tourism is still in many ways at a developmental stage, and therefore is not yet having such strong positive impacts on the economy as discussed in chapter 3.8.1 Stage of Tourism. However, the situation is changing every year and tourism is starting to impact these regions more and more notably as the time goes on. (Cummings & Martin 2001, 187-843)

6.1.2 Tourism Multipliers

As there is no reliable estimate of the *secondary* economic impacts of tourism in Thailand available, aside from secondary tourism-induced employment (Goad & Crispin 1999, 60-62), most tourism multipliers have not been calculated. If the estimation is accurate, the employment ratio is around 1.7 meaning that for every 10 jobs in a primary activity in tourism 7 others will be generated in a secondary activity (Goad & Crispin 1999, 60-62; National Statistical Office 2001, 36). However, in Thailand the other tourism multipliers can be estimated to be quite high as well, as the direct tourism receipts alone can add up to 10% of Thailand's GDP (Goad & Crispin 1999, 60).

Furthermore, a great number of travel agents, hotels and guesthouses, transportation services and other tourist activities in Thailand are operated by locally owned businesses (Cummings & Martin 2001, 137; Tourism Authority of Thailand 2003, List of Licensed Travel Agents in Thailand; INM Asia Guide 2003), as opposed to multi-national travel companies. This means that much more of the tourist expenditure will remain in the local area and consequently will also be more likely to be spent locally. These findings provide a partial answer to research question 6: Have the socio-economic impacts of tourism been positive? If we assume all tourism multipliers to be relatively high in Thailand we can also assume that the socio-economic impacts of tourism have indeed been positive in this respect.

6.1.3 Currency Inflow Generated by Tourism

For Thailand the currency inflow in 2002 was some U.S. $7.7 billion, making it the nation's most important source of foreign exchange (Thailand Business Profile 2001, 6; Crispin 2003, 44-47). This clearly calls for a positive answer for research question 6: Have the socio-economic impacts of tourism been positive? In Thailand the average tourist spends 3,747Bt (U.S. $90) per day (Travel & Tourism Intelligence 2002, 7). Thailand's national minimum daily wages (applied to all industries) are determined by the industrial zones in the country, according to the differentials in the cost of living, and currently range from 165Bt (U.S. $4) in Bangkok and nearby provinces to 133Bt (U.S. $3) in remote areas (National Statistical Office 2001, 54). Disposable personal income *per employed person* is around 90,000Bt (U.S. $2,100) annually (National Statistical Office 2001, 36 & 391), or around 250Bt (U.S. $6) per day. Given that many tourist resorts in Thailand are in these more remote areas, and many jobs found in the resort areas are in fact jobs requiring little training at the lower levels of the income spectrum, the vast income gap between tourists and the locals is very easy to see. It is this gap that induces local inflation in the resort areas as discussed in chapter 3.8.3 Currency Inflow Generated by Tourism. This fact, on the other hand, is something that seems to call for a negative answer for research question 6: Have the socio-economic impacts of tourism been positive?

The tourists, on average, spend 22 to 28 times more in a day than locals working for minimum wage earn in a day, and 15 times more than locals receiving an average salary (National Statistical Office 2001, 36 & 54 & 391; Travel & Tourism Intelligence 2002, 7). In fact, the average tourist spending is also more per day than the average daily income of skilled Thai-professionals. An average white-collar salary in a multinational company in Thailand is around 30,000Bt (U.S. $700) per month, depending on the position (PA & CA Recruitment Co 2001), or around 1,000Bt (U.S. $24) per day, thus indicating that the average corporate employee needs 3.7 days to earn the same amount of money that an average tourist spends in a single day. However, it is important to keep in mind that a vast majority of tourist expenditure is generally spent on items that locals have no need to spend their money on, such as hotel accommodation, plane tickets and organized tours. Some tourist-induced inflation resulting from tourist spending can be observed in the form of elevated prices in the most popular resort areas in Thailand.

6.1.4 Impact on Employment

In Thailand tourism has a huge impact on employment, with the tourism industry employing an estimated 4 million Thais directly and indirectly (Goad & Crispin 1999, 60-62). This comprises some 12% of the labor force (National Statistical Office 2001, 36), a significant proportion by any standards. About half of these people are employed directly in the hotel and restaurant industries (ibid). As a clear example of tourism-induced employment we can just think of one of those resort areas where nearly everything seems to revolve around tourism, such as Koh Samui in Thailand that used to be just a sleepy coconut plantation island before the tourists discovered the island (INM Asia Guides 2003). However, nowadays hundreds or thousands of employees are needed to keep the tourist facilities up and running. These findings also provide a partial answer for research question 6: Have the socio-economic impacts of tourism been positive? At least the impact on employment has been highly positive.

6.1.5 Regional Development of the Resort Areas

The tourism induced regional development has been quite visible, as witnessed by the (over-) development of the resort areas of Pattaya and Phuket for example. However, often the development has been unplanned, resulting in some problems discussed in chapter 5.1.2 Planning for Tourism. Nevertheless, now the government is taking a firmer grip on regional development as evidenced for example by the success of the U.S. $141 million plan to upgrade Thailand's largest beach resort, Pattaya, that included road and drainage construction and extensive waste-water treatment system that has significantly improved the water purity in Pattaya Bay (Lan 1997, 298-299 & 301). This recent development in Pattaya, as well as other developments that tourism has brought along, have significantly upgraded the regional infrastructure of resort areas. These developments – including road improvements, Internet connection, shops and other services – have benefited the locals living in these areas as well as the tourists that may have initiated their construction.

Often this sort of regional development is seen to be primarily positive for the locals, despite the two negative points regarding opportunity costs and local tourism-induced inflation discussed in chapter 3.8.5 Regional Development of Resort Areas. After all, the locals are getting a better infrastructure and other benefits along with a general stimulation of the economy. Yet a recent study in neighboring Malaysia by Din (in Cooper & Wanhill 1997, 153-161) suggests that "benefits from tourist development have tended to by-pass ordinary members of the local community in favor of entrepreneurs who come from outside." In his article he explains how the Malaysian government's tourism policies are directed towards sectoral growth and image building, and continues on to pick out a few examples to demonstrate that while tourism is growing as planned it is not always beneficial for the locals. As an example I will present the case of Langkawi with an excerpt taken from his article (ibid, 156-157).

> ...most Langkawians became anxious onlookers as developers and speculators from outside took advantage of the government-led development process. Many of the hotels faced acute shortages of labor, but the percentage of islanders who gained employment in tourism was minimal. Most islanders, being fishermen and farmers, were not pre-adapted to the business culture to be involved. The only impact they had to face was a steady rise in the cost of living despite the duty-free status of the island. The prices of basic household items such as sugar, fish and vegetables had soared, although of course islanders can now acquire brand items and cigarettes at duty-free prices. The rows of shops that have been built in the two large centers on

the island have been occupied by non-islanders, mostly Chinese entrepreneurs from the mainland. With the exception of tourist transportation almost every activity is dominated by outsiders.

...

While this sort of development has not appeared to be so much of a problem in Thailand, the danger always exists that the government in its pursuit for higher tourism revenues and new locations will come to by-pass the local interests in tourism development as has happened on the island of Langkawi, just some tens of kilometers south from the Thai border. Already a similar problem is starting to exist in Thailand's Northern provinces, where members of the numerous hill tribes living in the area receive very few benefits from the flows of tourists that venture up north to see and experience their culture. Instead, the profits are going into the pockets of tour companies and guides of mainstream ethnic Thais, while the hill tribes, it seems, are seen as little more than commodities. (Macan-Markar 2002)

The findings in this chapter have brought up both positive and negative aspects in an answer for research question 6: Have the socio-economic impacts of tourism been positive? Impacts of regional development could probably be thought of as mainly positive.

6.1.6 Tourist Dependency

One more topic on economic impacts of tourism needs to be covered, although this topic should actually be under the economic impacts of *lack* of tourism, implying what would happen if the tourists all of sudden disappeared. This applies for destinations that have already become dependent on tourism for their livelihoods, or in other words, have built tourism to such an extent that it has become the dominating factor in the local economy. (Mathieson & Wall 1982, 87-88)

The recent experience in Bali, Indonesia, provides a good example of tourist dependency. The local economy had revolved around tourism for decades, and the contraction in tourism following the bombing aimed at tourists in October 2002 has hurt its economy quite severely: several migrant workers have had to return home, many businesses offering tourist services or producing Balinese handicrafts aimed at the tourist market have been forced to close down and many hotels, restaurants and bars have had to close their doors as well (World Bank 2003, 6-7 & 13).

There have also been suggestions that a similar incident could be just waiting to take place in one of Thailand's resort areas as well, and several countries actually included Thailand in their lists of travel warnings following the incident. In fact, shortly afterwards there was a string of small bombings in southern Thailand that were, however, not related to international terrorism (The Bangkok Post October 31, 2001). Fortunately for Thailand, the international media and tourists did not seem to pay so much attention to it. Nevertheless, had the bombs been aimed at tourists, undoubtedly the (economic) impacts would have been just as devastating in Thailand as they have been in Bali. There are also several other reasons why the tourists might stop coming, for example increased political instability or a destination simply going "out of fashion".

6.2 Social Impacts

The social (and cultural) impacts of tourism on Thailand are much more difficult to study objectively than the economic ones, although for Thailand's local population they are probably at least equally important. Therefore, due to the nature of these impacts and lack of numerical data, their evaluation tends to be somewhat limited and more subjective. However, it is generally acknowledged that tourism of scale can act as an agent for major change in social, political and cultural systems of a destination area.

6.2.1 Relationships between Tourists and Residents

In Thailand, what is stated in the theory in chapter 3.9.1 Relationships between Tourists and Residents, probably holds true to a large extent regarding the difficulty of establishing true relationships, although the warm and friendly nature of many Thais often at least makes the relationships *seem* genuine. However, there are a few aspects that make Thailand different from many other holiday destinations. The transitory nature of relationships may not hold true for all visitors, as the number of repeat visitors is nearly as high as the number of first-time visitors (see chapter 5.6 International Tourist Arrivals). Many repeat visitors prefer one location over the others, and visitors who frequent the same location may indeed develop long-term relationships with the locals. In Thailand this is particularly noticeable with male tourists and local women whom they spend time with (The World Sex Guide 1997). The temporal and spatial constraints are also less important for repeat travelers as they have seen most of the sights on their previous visits, and the lack of spontaneity may not be such a significant factor either as visitors from outside Asia may be considered to be more allocentric and spontaneous independent travelers by nature (Vuoristo 2002, 47; see chapter 3.7.3 Psychographic Classification by Plog).

6.2.2 Tourist Resentment

Elements of tourist resentment are hard to find in Thailand. It seems that there really does not exist very much of it, even in the most overly touristic resorts of Pattaya or Phuket, although the vast differences between the tourists and the locals in spending habits and incomes (as discussed in chapter 6.1.3 Currency acknowledged that tourism of scale can act as an agent for major change in social, political and cultural systems of a destination area.

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Inflow Generated by Tourism) might warrant for some resentment. On the contrary, people usually seem genuinely friendly and welcoming towards foreign tourists. A factor contributing towards the low level of tourist resentment includes the fact that Thais own a fair share of the companies operating in the tourism industry, for example the domestic Amari, Dusit and Royal Garden hotel chains in the accommodation sector. Thais are also well represented in the management of these as well as other companies in the industry (Cummings & Martin 2001, 137; Tourism Authority of Thailand 2003, List of Licensed Travel Agents in Thailand). The findings made in this chapter are in fact supporting a positive answer for research question 6: Have the socio-economic impacts of tourism been positive? As tourism resentment in Thailand is not noticeable, it cannot be considered negative.

6.2.3 Creation of Informal Shadow Economy

In Thailand various sectors of the informal economy, including prostitution (discussed in more detail in the next chapter 6.2.4 Sex Tourism), can be found easily. Most of the time both the seller (local) and the buyer (tourist) stand to gain from this activity, while only the government loses out. However, as the informal economy lacks any government controls and regulations the transactions may not always be carried out in a completely fair manner and the other party may end up feeling cheated. (Phongpaichit 1999)

Unlicensed merchants, restaurants, tour guides and even drug dealers can be found quite easily in Thailand. Examples of the formal and informal economy operating together in a vertical alignment are also plentiful. For example in Bangkok it is quite common for a "tuk-tuk" (three-wheeled moped) taxi driver to request that you stop at his *friend's* shop on your way to somewhere else. The commissions are in fact large enough that the passenger may even get the ride for free, as long as he or she agrees to just take a look at the shop. In the past the government has not always been very active in controlling the informal economy, but it seems that it is about to get more tough on the matter. The findings in this chapter leave quite a neutral stance in answering research question 6: Have the socio-economic impacts of tourism been positive? (Phongpaichit 1999)

6.2.4 Sex Tourism

In Thailand the sex trade has flourished undisturbed for decades, and it has in fact long been among the top attributes attracting foreign tourism (Leheny 1995, 372). A point in time when foreign sex tourism really started to develop was during the Vietnam War when destinations in Thailand were widely used by the U.S. soldiers for rest and recreation (Lan 1997, 286-292). The presence of American military forces largely inspired the development of an extensive entertainment industry that is still very much alive today, and only recently the government has started taking steps to control it (ibid). Leheny (1995, 374) focuses particularly on Japanese sex tourism, although nowadays sex tourism in Thailand originates from all regions.

Prostitution is still seen as acceptable and legal throughout the country and government approved sex trade is still common in the (tax-paying) go-go bars and body-massage parlors of Thailand. However, attempts have been made to make it less visible and to move it in more acceptable directions. A case to the point is TAT's stern policy on child prostitution, and – indeed – this sort of activity has been nearly completely eliminated from the streets of Thailand as a result of tougher new legislation passed in the 1980's and 1990's. Nonetheless, it undoubtedly still exists "underground", available for those who know where to look for it. A special feature of Thailand's sex tourism is the so-called "Girl Friend Experience" that simply means prostitutes act as (or become) girl friends for prolonged periods of time (The World Sex Guide 1997). Prostitution in Thailand, although not caused by tourism initially, is certainly maintained by it. As far as sex tourism is concerned a negative answer is in place for research question 6: Have the socio-economic impacts of tourism been positive? (Tourism Authority of Thailand 2003, Policy on Prostitution; Leheny 1995, 367-384)

6.2.5 Social and Cultural Adaptation

Thailand has managed to retain its own Siamese culture and mind-set quite well in the face of the westernizing world, and while there are McDonald's restaurants and Nike's sports wear all over the place, Thailand's own culture is not disappearing. Although Thais do not really even have a word for *culture* as such, the Thai culture still stands out strongly among all the western influences. On the other hand, Thai society is a historical blend of various cultures emerged in the mainland Southeast Asia over the centuries, so acculturation and cultural adaptation have always been a part of Thai culture. More recently, western cultural influences spread partially by tourism have swept over Thailand during the times of European imperialism and current globalization and modernization, resulting in a unity of traditional local culture highlighted by western "global culture". Culture does not exist in a vacuum, and while Thais have absorbed many things from the west, they still retain their own character as well. In any case, foreign tourism does not seem to have been a strong force behind social and cultural adaptation in Thailand. (Cummings & Martin 2001, 46-48; Nathalang 1999, 5)

6.3 Summary

This chapter has conclusively demonstrated that the socio-economic impacts of tourism have been mainly positive in Thailand. Most of Thailand's resort areas are at the operational stage and the tourism multipliers can be estimated to be relatively high. Furthermore, the tourism induced currency inflow and employment are very substantial contributors to Thailand's economy, and have also supported the regional development of Thailand's resort areas. All in all, the economic impacts seem to have been quite positive in Thailand – although they have left the economy perhaps too dependent on foreign tourism.

The relationships between tourists and residents, while perhaps somewhat superficial, are in good standing and there are no signs of tourist resentment. International tourism has been a contributing factor towards the creation of a sizeable informal sector, perhaps most prominently visible in Thailand's sex trade. However, prostitution has been practiced in the Thai-culture long before the emergence of international tourism. Like most cultural adaptation in Thailand, while prostitution has been shaped by foreign influences it has not been inundated by them. Although some social impacts have been somewhat negative, the overall socio-economic impacts have been overwhelmingly positive.

7 CONCLUSIONS

The aim and purpose of this study was to reveal what is Thailand like as a travel destination and to evaluate the current trends and impacts of inbound tourism. It was found that Thailand is a diverse travel destination with a lot of tourism potential. It offers a broad range of attractions and attraction factors for tourists, probably most importantly its nature and culture based attractions (research question 3). For this reason Thailand should fully utilize its travel potential, and that is exactly what it is doing. Tourism is one of Thailand's key economic sectors, and it has experienced staggering growth over the last decades – thus maintaining the Tourist Area Cycle of Evolution at a growth stage (research question 1). While the number of international arrivals is rapidly increasing year by year, notable differences in visitor growth exist between different groups of visitors and their regions of origin (research question 5). The rapid growth in tourism and the economic development it has brought along are perhaps most clearly evident in the southern parts of the country.

Seasonality in Thailand is considerable (research question 2), but even during the low season a steady stream of tourists is entering the country. Nowadays Thailand enjoys a positive travel image, at least in part as a result of the Tourism Authority of Thailand's successful promotions, despite its former association as a sex destination. Thailand is now among the top destinations for many international travelers, particularly from East and Southeast Asia and Europe. However, male tourists still constitute the majority of arrivals, perhaps due to Thailand's still apparent sex appeal (research question 4).

A vast majority (89%) of international arrivals to Thailand are holiday arrivals. On average, international visitors spend around U.S. $90 per day and stay for eight days, although European visitors stay for nearly two weeks on average. The hotels and guesthouses of Bangkok receive the most international visitors, but on average visitors only stay in Bangkok for less than two days before heading out to other destinations. Northern and Central regions of Thailand receive quite a large number of tourists each, but it is the resorts of Southern Thailand that are the most popular tourist destinations.

The socio-economic impacts of tourism in Thailand follow along the lines of established theoretical frameworks with some variation. These impacts appear to be mainly positive, although a few negative factors can be identified as well (research question 6). Overall, Thailand seems to be well on its way to becoming one of the leading destinations in the global tourism industry, as long as the current SARS-epidemic will not scare all the potential visitors away.

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APPENDIX A: INTERNATIONAL TOURIST ARRIVALS BY SEX 2002

Country of Residence	Sex			
	Male	Δ(%)	Female	Δ(%)
East Asia	**3,781,386**	**+ 6.98**	**2,750,160**	**+ 8.72**
ASEAN	*1,590,326*	*+ 7.87*	*1,024,301*	*+ 12.41*
Brunei	8,284	+ 2.83	5,471	- 6.57
Cambodia	48,386	+ 47.19	30,833	+ 43.24
Indonesia	87,425	+ 2.51	77,569	+ 13.78
Laos	55,557	+ 12.99	38,495	+ 3.51
Malaysia	815,779	+ 11.10	480,330	+ 12.92
Myanmar	31,333	+ 0.58	10,933	- 6.96
Philippines	67,554	+ 7.82	75,386	+ 12.24
Singapore	420,535	- 1.01	262,761	+ 9.42
Vietnam	55,473	+ 20.61	42,523	+ 24.78
China	423,025	+ 10.11	340,114	+ 9.47
Hong Kong	268,863	- 2.16	257,275	+ 3.46
Japan	762,054	+ 3.20	460,216	+ 7.00
Korea	384,987	+ 25.15	331,791	+ 35.22
Taiwan	345,348	- 0.90	328,304	- 12.75
Others	6,783	+ 1.34	8,159	+ 12.52
Europe	**1,473,829**	**+ 5.66**	**977,049**	**+ 7.40**
Austria	28,918	- 1.10	19,149	+ 11.20
Belgium	35,879	+ 2.86	20,300	+ 4.27
Denmark	47,323	+ 2.64	37,294	+ 14.32
Finland	35,414	+ 11.83	28,701	+ 6.85
France	157,745	+ 5.41	95,718	+ 8.94
Germany	251,692	+ 0.35	151,548	+ 2.95
Italy	78,362	+ 1.94	47,860	+ 11.09
Netherlands	82,678	+ 0.64	58,288	+ 6.41
Norway	45,561	+ 5.79	29,386	- 1.11
Russia	33,557	+ 14.01	35,421	+ 20.10
Spain	27,196	+ 25.56	21,295	+ 24.15
Sweden	123,640	- 0.78	97,226	- 1.23
Switzerland	78,152	+ 6.39	48,065	+ 2.16
United Kingdom	354,483	+ 10.51	215,329	+ 9.19
East Europe	33,597	+ 7.25	31,764	+ 15.72
Others	59,632	+ 21.29	39,705	+ 16.23
The Americas	**404,680**	**+ 7.27**	**235,463**	**+ 3.83**
Argentina	1,469	- 52.77	911	- 64.47
Brazil	3,360	+ 50.74	2,175	+ 7.35
Canada	61,038	+ 10.24	40,331	+ 7.73
USA	327,221	+ 6.20	182,620	+ 3.08
Others	11,592	+ 37.05	9,426	+ 24.44
South Asia	**284,023**	**+ 12.36**	**106,722**	**+ 32.62**
Bangladesh	29,346	+ 23.69	11,799	+ 28.04
India	183,024	+ 17.32	70,086	+ 39.82
Nepal	16,643	+ 13.81	6,358	+ 44.96
Pakistan	23,243	- 21.44	6,659	+ 8.28
Sri Lanka	23,750	+ 9.03	8,691	+ 18.02
Others	8,017	+ 13.72	3,129	- 3.19
Oceania	**240,958**	**- 1.49**	**182,543**	**- 0.29**
Australia	202,804	- 2.63	152,725	- 1.73
New Zealand	35,877	+ 3.64	28,894	+ 8.73
Others	2,277	+ 33.86	924	- 14.92
Middle East	**191,036**	**+ 16.33**	**81,769**	**+ 11.93**
Egypt	5,559	+ 30.80	1,930	+ 5.64
Israel	60,153	+ 9.97	38,476	+ 5.50
Kuwait	22,063	+ 37.37	6,385	+ 4.57
Saudi Arabia	11,492	+ 10.55	2,762	- 13.63
U.A.E.	29,769	+ 15.17	13,780	+ 27.06
Others	62,000	+ 17.06	18,436	+ 26.20
Africa	**51,070**	**- 4.28**	**38,379**	**+ 2.04**
South Africa	18,517	- 12.05	19,204	- 8.43
Others	32,553	+ 0.79	19,175	+ 15.25
Grand Total	**6,426,982**	**+ 6.73**	**4,372,085**	**+ 8.21**

Source of Data: Immigration Bureau, Police Department.

Remark : Overseas Thai Residents are not included

APPENDIX B: INTERNATIONAL TOURIST ARRIVALS BY COUNTRY OF RESIDENCE 2002

Country of Residence	2002 Number	2002 % Share	2001 Number	2001 % Share	Δ (%) 2002/2001
East Asia	**6,564,664**	**60.38**	**6,095,979**	**60.16**	**+ 7.69**
ASEAN	*2,623,031*	24.12	*2,393,712*	23.62	*+ 9.58*
Brunei	14,181	0.13	14,402	0.14	- 1.53
Cambodia	79,549	0.73	54,756	0.54	+ 45.28
Indonesia	165,295	1.52	153,734	1.52	+ 7.52
Laos	94,147	0.87	86,439	0.85	+ 8.92
Malaysia	1,297,619	11.93	1,161,490	11.46	+ 11.72
Myanmar	42,448	0.39	43,115	0.43	- 1.55
Philippines	143,354	1.32	130,179	1.28	+ 10.12
Singapore	687,982	6.33	669,166	6.60	+ 2.81
Vietnam	98,456	0.91	80,431	0.79	+ 22.41
China	763,708	7.02	695,372	6.86	+ 9.83
Hong Kong	533,798	4.91	531,300	5.24	+ 0.47
Japan	1,233,239	11.34	1,179,202	11.64	+ 4.58
Korea	717,361	6.60	553,441	5.46	+ 29.62
Taiwan	678,511	6.24	728,953	7.19	- 6.92
Others	15,016	0.14	13,999	0.14	+ 7.26
Europe	**2,475,319**	**22.77**	**2,327,680**	**22.97**	**+ 6.34**
Austria	48,768	0.45	46,980	0.46	+ 3.81
Belgium	56,383	0.52	54,551	0.54	+ 3.36
Denmark	86,131	0.79	80,050	0.79	+ 7.60
Finland	64,566	0.59	58,937	0.58	+ 9.55
France	254,610	2.34	238,550	2.35	+ 6.73
Germany	412,968	3.80	407,353	4.02	+ 1.38
Italy	126,648	1.16	120,368	1.19	+ 5.22
Netherlands	142,528	1.31	138,355	1.37	+ 3.02
Norway	75,520	0.69	73,282	0.72	+ 3.05
Russia	69,020	0.63	58,998	0.58	+ 16.99
Spain	48,550	0.45	38,863	0.38	+ 24.93
Sweden	222,154	2.04	224,268	2.21	- 0.94
Switzerland	128,529	1.18	122,701	1.21	+ 4.75
United Kingdom	574,007	5.28	522,117	5.15	+ 9.94
East Europe	65,392	0.60	58,823	0.58	+ 11.17
Others	99,545	0.92	83,484	0.82	+ 19.24
The Americas	**650,195**	**5.98**	**613,897**	**6.06**	**+ 5.91**
Argentina	2,380	0.02	5,674	0.06	- 58.05
Brazil	5,535	0.05	4,258	0.04	+ 29.99
Canada	101,588	0.93	93,006	0.92	+ 9.23
USA	519,668	4.78	494,920	4.88	+ 5.00
Others	21,024	0.19	16,039	0.16	+ 31.08
South Asia	**391,371**	**3.60**	**333,936**	**3.30**	**+ 17.20**
Bangladesh	41,263	0.38	33,035	0.33	+ 24.91
India	253,475	2.33	206,541	2.04	+ 22.72
Nepal	23,021	0.21	19,061	0.19	+ 20.78
Pakistan	29,930	0.28	35,785	0.35	- 16.36
Sri Lanka	32,499	0.30	29,187	0.29	+ 11.35
Others	11,183	0.10	10,327	0.10	+ 8.29
Oceania	**427,014**	**3.93**	**430,806**	**4.25**	**- 0.88**
Australia	358,616	3.30	366,468	3.62	- 2.14
New Zealand	65,189	0.60	61,545	0.61	+ 5.92
Others	3,209	0.03	2,793	0.03	+ 14.89
Middle East	**274,878**	**2.53**	**239,200**	**2.36**	**+ 14.92**
Egypt	7,505	0.07	6,092	0.06	+ 23.19
Israel	98,694	0.91	91,253	0.90	+ 8.15
Kuwait	28,576	0.26	22,305	0.22	+ 28.11
Saudi Arabia	14,600	0.13	14,083	0.14	+ 3.67
U.A.E.	44,521	0.41	37,391	0.37	+ 19.07
Others	80,982	0.74	68,076	0.67	+ 18.96
Africa	**89,535**	**0.82**	**91,011**	**0.90**	**- 1.62**
South Africa	37,772	0.35	42,062	0.42	- 10.20
Others	51,763	0.48	48,949	0.48	+ 5.75
Grand Total	**10,872,976**	**100.00**	**10,132,509**	**100.00**	**+ 7.31**

Source of Data: Immigration Bureau, Police Department.

Note : International Tourist Arrivals included Overseas Thai

APPENDIX C: INTERNATIONAL TOURIST ARRIVALS BY PURPOSE OF VISIT 2002

Country of Residence	Purpose of Visit									
	Holiday	Δ(%)	Business	Δ(%)	Conven-tion	Δ(%)	Official	Δ(%)	Others	Δ(%)
East Asia	**5,839,782**	**+9.45**	**492,332**	**-9.30**	**71,021**	**+18.30**	**26,241**	**-20.89**	**102,170**	**+10.55**
ASEAN	***2,242,577***	***+12.41***	***236,151***	***-11.42***	***50,873***	***+23.10***	***19,192***	***-28.49***	***65,834***	***+17.93***
Brunei	11,148	+3.78	715	-23.12	301	-27.29	187	-6.97	1,404	-13.60
Cambodia	70,046	+54.14	2,526	+18.93	2,601	+148.90	1,450	-40.16	2,596	-22.83
Indonesia	141,699	+8.60	12,557	-8.99	3,941	-4.78	1,519	+15.51	5,278	+41.35
Laos	63,934	+6.26	4,604	+11.40	7,842	+165.92	9,206	-38.97	8,466	+110.49
Malaysia	1,190,769	+14.87	67,658	-24.43	15,226	+5.57	2,896	-19.87	19,560	+26.81
Myanmar	28,250	+3.12	8,102	-9.20	355	-24.47	649	-28.45	4,910	-5.74
Philippines	109,964	+9.54	16,983	+1.10	7,841	+22.65	1,054	+72.22	7,098	+26.21
Singapore	550,047	+4.81	111,609	-5.37	8,194	-3.75	1,225	+9.08	12,221	-2.92
Vietnam	76,720	+30.32	11,397	-8.28	4,572	+53.32	1,006	-35.43	4,301	+1.58
China	717,477	+10.46	30,193	+2.22	4,920	+13.39	2,612	-5.81	7,937	-8.87
Hong Kong	479,712	+1.78	39,736	-13.05	3,941	+0.66	377	+169.29	2,372	-0.84
Japan	1,082,375	+6.00	117,145	-7.01	4,982	+1.18	2,348	+16.07	15,420	+5.91
Korea	669,299	+32.00	36,031	+1.19	3,853	+14.98	985	+25.00	6,610	+7.04
Taiwan	634,338	-6.57	32,684	-16.06	2,214	+17.33	617	+17.30	3,799	-15.58
Others	14,004	+8.78	392	-10.91	238	-18.21	110	+32.53	198	-22.66
Europe	**2,263,777**	**+6.55**	**142,614**	**+0.71**	**11,551**	**+38.43**	**2,860**	**-17.53**	**30,076**	**+13.26**
Austria	44,177	+3.24	3,150	+1.55	262	+78.23	39	-	439	+15.22
Belgium	49,571	+1.84	4,743	+0.68	721	+302.79	78	-23.53	1,066	+55.62
Denmark	77,971	+8.47	5,239	-2.04	135	-28.57	76	-64.81	1,196	+9.72
Finland	60,202	+10.45	2,897	-9.07	230	+243.28	39	-56.67	747	+9.37
France	229,150	+8.08	18,351	-9.52	1,589	+40.00	546	+17.67	3,827	+5.75
Germany	371,947	+1.23	25,318	+0.52	1,408	+49.47	537	-22.40	4,030	+6.19
Italy	114,073	+4.57	9,022	+4.63	1,306	+55.29	258	-25.22	1,563	+48.01
Netherlands	129,924	+3.63	8,684	-2.55	317	-27.63	189	+60.17	1,852	-11.09
Norway	70,783	+2.25	2,867	+6.19	333	+229.70	38	+111.11	926	+24.63
Russia	66,772	+17.48	1,477	-5.14	271	+171.00	89	-7.29	369	+9.82
Spain	44,233	+25.51	3,310	+19.02	483	-20.95	20	-	445	+152.84
Sweden	211,126	-1.34	7,342	+3.25	826	+115.10	143	+81.01	1,429	-3.58
Switzerland	116,482	+5.46	7,545	-6.17	455	-20.18	299	+27.78	1,436	+18.19
United Kingdom	526,074	+10.56	33,390	+2.77	1,853	-4.39	123	-73.32	8,372	+15.43
East Europe	60,324	+10.80	3,131	+14.19	536	+76.90	219	-40.49	1,151	+25.66
Others	90,968	+18.28	6,148	+27.24	826	+107.02	167	+14.38	1,228	+17.85
The Americas	**538,856**	**+6.84**	**66,409**	**-4.27**	**7,513**	**+29.20**	**3,600**	**+38.89**	**23,765**	**+8.46**
Argentina	1,839	-64.34	284	-31.89	90	+246.15	37	-	130	+75.68
Brazil	4,637	+28.24	422	-12.81	360	+2,017.65	16	-	100	-27.54
Canada	89,437	+9.15	8,270	+4.78	938	+26.42	154	-8.33	2,570	+24.70
USA	424,488	+6.29	56,074	-5.74	5,485	+17.75	3,360	+39.83	20,434	+5.64
Others	18,455	+29.50	1,359	+24.34	640	+72.04	33	+57.14	531	+79.39
South Asia	**319,036**	**+20.78**	**42,586**	**-3.13**	**7,370**	**+34.34**	**6,148**	**+11.58**	**15,605**	**+10.38**
Bangladesh	35,131	+31.63	3,197	-4.17	416	+37.75	409	-23.69	1,992	-4.09
India	211,114	+26.34	26,718	+0.27	5,286	+53.00	2,826	-4.75	7,166	+20.13
Nepal	16,675	+20.55	2,697	+25.27	523	-5.08	958	+22.04	2,148	+27.25
Pakistan	23,924	-17.69	3,941	-17.14	530	-1.85	536	+59.52	971	-6.72
Sri Lanka	25,619	+16.89	4,057	-17.42	499	-0.80	464	+52.13	1,802	+19.50
Others	6,573	+18.45	1,976	-8.48	116	-14.07	955	+64.37	1,526	-17.87
Oceania	**366,736**	**+0.34**	**39,158**	**-7.52**	**6,970**	**-12.60**	**495**	**-9.51**	**10,142**	**-10.41**
Australia	307,772	-1.07	33,360	-8.24	5,821	-14.04	467	-4.11	8,109	-9.58
New Zealand	56,649	+7.62	5,384	-3.06	829	-1.89	0	-100.00	1,909	-8.79
Others	2,315	+33.35	414	-4.39	320	-10.61	28	-	124	-52.31
Middle East	**241,085**	**+14.34**	**25,272**	**+17.40**	**1,317**	**+31.18**	**748**	**+19.30**	**4,383**	**+34.57**
Egypt	5,969	+18.01	999	+18.93	253	+644.12	39	-	229	+57.93
Israel	90,430	+7.66	6,956	+16.85	262	-17.61	204	+25.93	777	+5.28
Kuwait	26,308	+25.78	1,338	+82.29	140	+159.26	40	-31.03	622	+53.58
Saudi Arabia	11,446	+1.58	2,460	+26.28	99	-21.43	16	-70.37	233	+18.27
U.A.E.	39,272	+20.74	3,334	-2.49	178	+43.55	89	+71.15	676	+18.60
Others	67,660	+18.52	10,185	+17.98	385	+10.63	360	+19.60	1,846	+53.58
Africa	**69,712**	**-2.19**	**16,608**	**-2.09**	**1,111**	**+9.03**	**391**	**+49.24**	**1,627**	**+12.52**
South Africa	32,381	-11.15	3,976	-12.62	747	+72.92	48	+140.00	569	-1.73
Others	37,331	+7.19	12,632	+1.76	364	-37.99	343	+41.74	1,058	+22.03
Grand Total	**9,638,984**	**+8.59**	**824,979**	**-6.10**	**106,853**	**+19.15**	**40,483**	**-12.33**	**187,768**	**+9.78**

Source of Data: Immigration Bureau, Police Department.

Remark : Overseas Thai Residents are not included

APPENDIX D: AVERAGE LENGTH OF STAY OF INTERNATIONAL TOURIST ARRIVALS 2002

Country of Nationality	2002	2001
East Asia	**5.31**	**5.27**
ASEAN	*4.57*	*4.49*
Brunei	4.28	4.34
Cambodia	5.86	6.89
Indonesia	4.38	4.14
Laos	13.06	12.55
Malaysia	3.55	3.43
Myanmar	9.99	9.07
Philippines	6.81	7.07
Singapore	4.39	4.38
Vietnam	6.03	6.18
China	6.18	5.86
Hong Kong	4.48	4.41
Japan	6.25	6.24
Korea	4.88	4.79
Taiwan	6.02	5.88
Others	11.14	9.24
Europe	**13.37**	**13.14**
Austria	14.90	14.50
Belgium	13.87	13.60
Denmark	14.27	14.01
Finland	13.71	13.69
France	11.68	11.47
Germany	15.83	15.57
Italy	12.06	11.82
Netherlands	15.43	15.31
Norway	15.13	14.51
Russia	11.83	11.65
Spain	8.62	8.71
Sweden	14.88	14.51
Switzerland	15.15	14.94
United Kingdom	12.36	11.80
East Europe	11.30	11.57
Others	10.05	10.02
The Americas	**9.77**	**9.55**
Argentina	11.12	9.07
Brazil	7.66	8.22
Canada	10.48	10.39
USA	9.75	9.48
Others	7.09	7.02
South Asia	**6.99**	**7.70**
Bangladesh	6.38	6.05
India	7.16	7.91
Nepal	7.82	8.59
Pakistan	7.03	8.96
Sri Lanka	5.83	5.87
Others	6.56	6.72
Oceania	**9.52**	**9.19**
Australia	9.67	9.26
New Zealand	8.84	8.87
Others	7.35	7.25
Middle East	**10.65**	**10.97**
Egypt	7.62	7.02
Israel	13.54	12.63
Kuwait	10.56	10.58
Saudi Arabia	9.74	10.13
U.A.E.	10.64	10.85
Others	7.52	9.36
Africa	**9.29**	**9.28**
South Africa	7.94	7.37
Others	10.18	10.61
Grand Total	**7.98**	**7.93**

Source of Data: Immigration Bureau, Police Department.